What's Ahead of Gold? (Page 12)

THE FINANCIAL POST

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The Nation's Business

Propaganda in the Guise of News

Railway Policy of New Cabinet

Ontario's Courts Closed to Injured Parties

Who Made Profits on Power Bonds?

Ottawa Journal is 50

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THE news columns and the editorial opinions of a reputable newspaper are never for sale to anybody. The Financial Post, which stands by this rule, makes no claim to holding a unique position therein. The first and simplest of the policies of any good publication is to maintain the complete independence of its columns. Such a policy could not be maintained if the news and editorial columns were offered for sale.

* * *

IT IS desirable to bring out this vital point in good journalism at this time because of the feeling that exists among some financial and business groups that the way to get their case before the public is to subsidize some newspaper or other periodical to present that case in what purports to be the paper's own language.

An institution or group of institutions with a story to tell the public should tell that story frankly and openly and without resort to what the public will in time come to regard as unfair propagandist methods. In institutional public relations there are two simple rules to be observed. The first is to tell a candid story. The second is to do it openly so that the public may be convinced that there is nothing to hide.

In business, it is not truths that hurt but untruths and distortions. These can usually be met with facts, openly presented. But even facts are going to be subject to misinterpretation if the public gets the idea that the institution wishing to present the facts is getting them across covertly or obliquely.

* * *

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For instance, the textual reports of annual meetings of banks and similar financial institutions, which appear in the advertising columns of The Post are paid for but they are not set up or displayed in The Post's usual editorial style. They are quite distinct from The Post's news and analytical reports of the statements presented at these meetings and for which The Financial Post assumes complete responsibility.

* * *

THE Post, like other good newspapers, has a simple policy toward press agents and public relations advisers, who are employed by institutions or associations to present their news to the public. It recognizes them as one—but only one of many—possible contacts between the heads of the institutions employing them and the editors of The Post. The news they have to present is weighed carefully. If it is found to be accurate and fair it is passed on to our readers, as useful news. But The Post is never paid to run it. To accept such payment would make it difficult to retain complete editorial independence. The Post holds final and absolute control over both the selection and editing of material from these sources as from any other source.

There have been many incidents recently to confuse the public's mind regarding sound newspaper policy on the separation of news and advertising material. The Financial Post thinks its readers ought to know where it stands on the matter.

* * *

King Cabinet's Railway Policy

CANADA'S new Minister of Railways and Marine, Hon. C. D. Howe, in a speech in Toronto last Saturday night, gave enough of the government's views on the railway problem of Canada to permit an intelligent size-up of that cabinet policy to be made. Elsewhere on this page such an analysis is attempted.

The policy in effect marks the burial of the scheme of co-operation between the Canadian National Railways and the Canadian Pacific Railway suggested by the Royal Commission on Railways and Transportation under Sir Lyman Duff.

(Continued on page 2, col. 3)

King's Rail Policy Bars Out Merger

Putting Pieces of Picture Together, Observers Outline Cabinet's Attitude to Railways and the Railway Problem

With a little reading between the lines, political circles in Canada feel that they can interpret from the Toronto address of Hon. C. D. Howe, Minister of Railways and Marine, what the railway policy of the King government is. What Mr. Howe said gave part of the picture; what his remarks implied helped to fill it out. The pattern can be made complete with information from other semi-official sources.

The policy as political observers interpret it, is this:

1. There will be no amalgamation, no joint operation, no other form of co-ordination of the C. N. R. and C. P. R. The government is apparently unimpressed by figures of possible savings under any form of merged operations.

On the other hand the cabinet is not opposed to an express or telegraph merger.

Improved Traffic

2. Reliance for solution of the problem of Canada's railway deficits will be placed in measures to increase rail traffic. The U. S. trade agreements, the new wheat policy should increase traffic. Generally improving trade will help.

3. The government will move to put the railways in a better position to meet truck competition. Provinces will be asked to control highway transportation more rigidly and to make trucks pay a higher share of highway costs.

There may be, it is anticipated, call for a downward adjustment of railway rates on merchandise now largely carried by trucks.

The whole question of road-rail transport will be studied, possibly by a Royal Commission on the line of the Salter commission in Britain.

Trustee Board Out

4. Control of the Canadian National Railways will be restored to the cabinet not in a desire to promote political patronage but in order that the government, which has to pay the deficits, may have greater control over the policies which make and unmake deficits. The trustee board will become a board of directors responsible to the shareholders—in this case to the government, representing the people of Canada, who own the road.

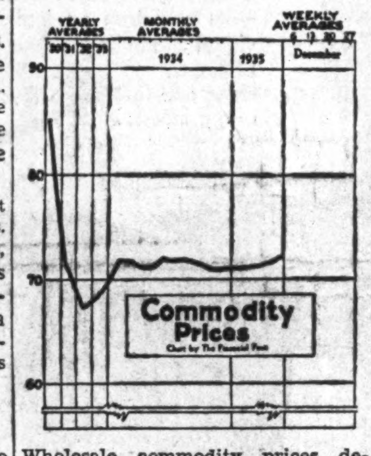
5. The Duff plan is dead and ready to be buried both in respect to "co-operative competition" between the railways and, as above noted, in respect to control of the Canadian National by the present board of independent, non-political trustees.

Shake up Rail Board

6. The Board of Railway Commissioners is due for a shake-up. A smaller, more compact board will probably replace the present expensive set-up and will be charged with more active study of new problems that have arisen in railroading, in order to keep the railways on their toes in meeting new competition.

7. All phases of transportation in Canada including aviation, and also including highway transport to the degree that Ottawa has any authority over it, will probably come under the new Department of Transport.

Elsewhere in this issue Mr. Howe's Toronto speech is reported at some length (page 10). Remarks of F. A. Gaby, assistant to the president of the C. P. R. (page 13) are also apropos.



Wholesale commodity prices declined to 72.7 in the week ended Dec. 6 from 72.9 in the previous week, according to the index compiled by the Dominion Bureau of Statistics.

REMEDY EXISTS FOR DEBT EVILS, ABERHART SAYS

But "They'll Attribute It to Something Else" Than Social Credit

From Our Own Correspondent

OTTAWA.—Strict adherence to the principles of Social Credit will mark the efforts of the Aberhart administration to cure Alberta's economic ills, The Financial Post was told by Premier William Aberhart and Attorney-General Hugill, who are in Ottawa attending the Dominion-Provincial Conference.

"Ontarians Hopeful"

Asked for his impressions during the journey eastward, Mr. Aberhart declared that "Ontarians are hopeful, and the best thing about it is that they retain hope although they are struggling under a debt burden for which there is no solution.

"At least they don't know there is one," he added, with obvious reference to his Social Credit plan.

It was suggested that converts to Social Credit principles might grow more numerous if he was able to demonstrate the practicability of the scheme.

"Oh, they will attribute it to something else," he answered.

Irvine Joins Crediteers

William Irvine, former "Ginger Grouper," and Wetaskiwin's well-known advocate of drastic monetary reform, is joining the ranks of the Social Crediters, Mr. Aberhart informed The Post.

'Peg Electric Subsidiaries Will Vote on Dec. 18

Since common shareholders of Manitoba Power Co. and Northwestern Power have much the same interest in the Winnipeg Electric Corp. reorganization as Winnipeg Electric common shareholders, the former are expected to vote much the same way as Winnipeg Electric holders when they meet December 18.

Winnipeg Electric shareholders vote at a later date.

Meetings of shareholders of subsidiary companies are important, however, because promoters of the plan have decided not to vote the 90 per cent share control of these companies held by Winnipeg Electric. The result is that the decision will rest with the 10 per cent minority.

PLAN REVIVAL TRANS-CANADA AIR MAIL LINE

Dominion Service in 1936 Now Believed Certain

TO LINK EMPIRE

From Our Own Correspondent

OTTAWA.—As a result of the Empire air mail discussions at Ottawa, the inauguration of the trans-Canada air mail service in 1936 is regarded as a certainty.

Delegates to the conference declined to issue any authoritative statement as to decisions reached and it is understood that each group will report to its respective government. The discussions, however, are understood to have covered three aspects of air communication—the trans-Atlantic, the transcontinental and the trans-Pacific.

Handicapped

It is an open secret that the Canadian delegation found itself at a distinct disadvantage in dealing with these matters by reason of the backward state of commercial aviation in the Dominion.

The British delegates, it is learned, came to the conference with definite assurances that the British government is determined to force air-lines from Britain to the distant parts of the Empire and, while preferring an all-red route, would not mark time because Ottawa might think the times not propitious for expenditures of this kind.

U.S. Co-operation

The British seek air mail service to New Zealand and Australia and, failing Canadian co-operation, could achieve their objective by tieing in with United States services. In fact, this is thought certain to be done in the trans-Pacific section of the route.

MAY REFUND DUMP DUTIES EMPIRE GOODS

Exchequer Court Decision Beclouds Special Collections Since 1932

WILL TAKE TIME

Status of Tariff Commission as Departmental Adjunct Recalled By Judgment

From Our Own Correspondent

OTTAWA.—All collections from orders-in-council tariffs on British goods since 1932 may be refunded.

This is one of the two results possible following the Exchequer Court decision that these special tariffs imposed on British goods became illegal when the customs act was amended in November, 1932. The court has announced its decision but so far has not issued reasons for judgment.

May Appeal

When the extended judgment is available the government will decide whether or not the case should be appealed to the Supreme Court of Canada.

If an appeal is entered, the position with respect to these orders will remain unchanged pending the ultimate outcome of the litigation.

But if no appeal is entered, the government, it is learned authoritatively, will undertake at once the refunding of all revenue received under these orders as from the date in November, 1932, when the amendment was enacted.

Minimum Legal Action

Legally, all importers with claims against the crown would have to apply for a fiat to sue for recovery of duties. The government, however, will not require this procedure but will voluntarily begin the task of repayment.

As the 1932 amendment was made when the order-in-council tariffs against British goods were at their peak and as there are still two of these orders which apply on British goods (wire rope and jersey wool) there will be thousands of customs entries to be re-examined.

Repayments will probably take years to complete.

Affects All Preferential Items

The judgment affects all imports under the preferential tariff so that invoices from more than a score of Empire countries would have to be reviewed.

The court decision was given on an appeal taken by Blaikie and Co., Toronto, importers of British hats. Refunds to this firm are placed at $2,000.

The Ottawa Treaties

The Ottawa treaties obligated Canada to do no more than remove arbitrary valuations on preferential tariff imports as soon as circumstances would permit.

But when parliament assembled in November, 1932, shortly after the conclusion of the Ottawa Conference, the government of the day brought down an amendment to the Customs Act withdrawing from the government the power to impose these valuations on goods entering under the preferential schedule.

At the time, it was believed that the government was proceeding at once to implement its undertaking but subsequent events disproved this belief.

There were, then in existence a substantial number of valuations on British goods and the cabinet inclined to the view that all the amendment implied was that the number would not be enlarged.

Enlarged List

In the spring of 1933, however, an enlargement took place when the late Hon. E. B. Ryckman revised the order dealing with jute twines so as to make imports from Britain more difficult.

This action was regarded in some quarters of the United Kingdom as a breach of faith.

At that time the tariff commission was regarded as a semi-judicial

(Continued on page 2 col. 5)

A Blow to Liberty

Dominion Cabinet, Colonel Drew Argues, Should Disallow Ontario's Act of Repudiation Because It Strikes at Root of Democratic Institutions

By GEORGE A. DREW, K.C.

The most vicious feature of the cancellation by the Ontario government of the hydro-electric power contracts has been obscured. The extent to which it has been obscured is emphasized by the following editorial comment in a newspaper which justifiably prides itself on its independence of expression:

"In the discussions which have taken place the elementary point on which the government based its action has been lost to view. The preamble of the 1935 bill declares the contracts 'to be and always to have been illegal, void, and unenforceable as against the Hydro-Electric Power Commission of Ontario,' being 'contrary to the Power Commission Act and without regard to the provisions of the British North America Act.'

"This is the finding of the highest court in Ontario, the legislature, which made cancellation a certainty. To have permitted the contracts to stand, or even to revise them would have been to condone an illegality."

All too little attention has been paid to the very point raised in this editorial.

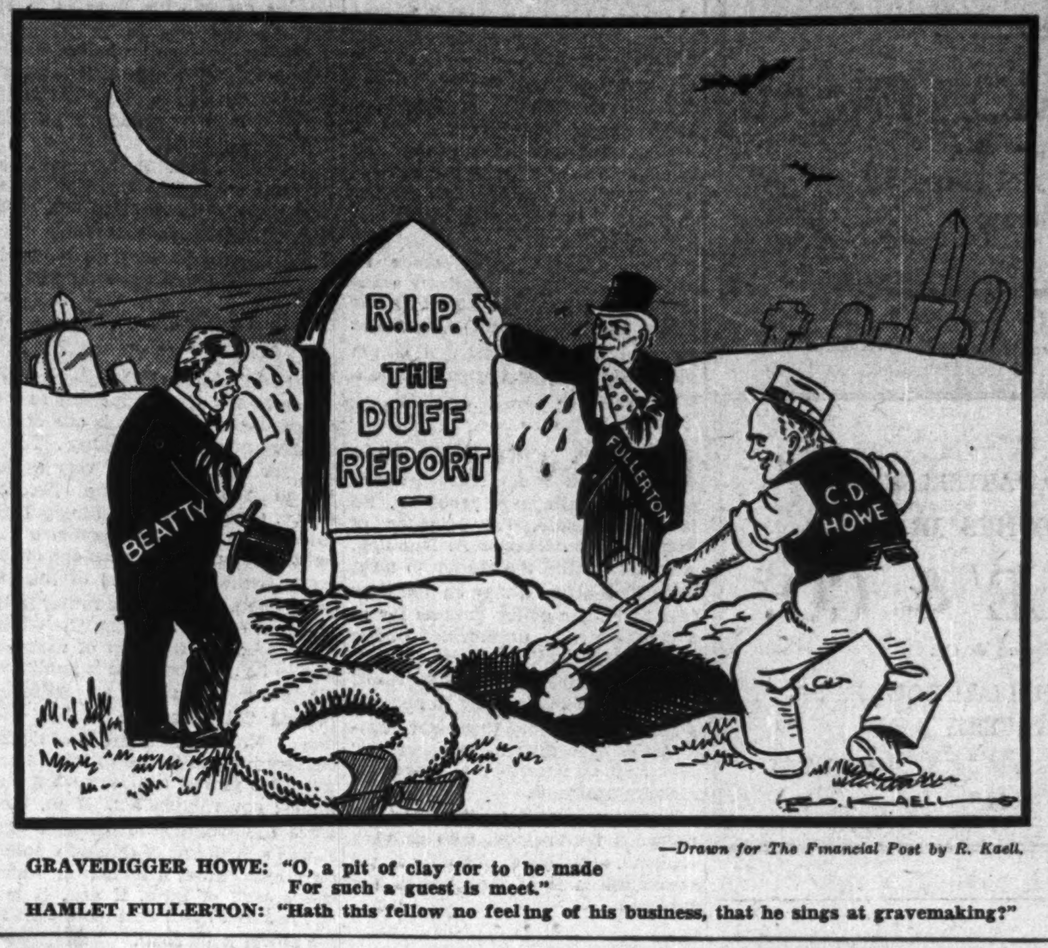
The legislature is the supreme law-making power, but the fundamental principle underlying British democracy is the right of the individual to have his personal and civil rights protected by the courts. It is so elementary that it is amazing how little attention has been paid to this principle in all the discussion which has taken place.

Right of Recourse to Courts

The legislature is the law-making body, but it is for the courts, and the courts alone, to determine the effect of those laws.

The history of civilization is very largely the history of the advancement of personal rights, and the pro-

(Continued on page 2, col. 3)



—Drawn for The Financial Post by R. Kaell.

GRAVEDIGGER HOWE: "O, a pit of clay for to be made
For such a guest is meet."
HAMLET FULLERTON: "Hath this fellow no feeling of his business, that he sings at gravemaking?"

National Loan Board Seen Chief Objective of Ottawa Conference

Debt Conversion Programme for Dominion and Co-operating Provinces — Would Control Future Loans and Guarantee

REVISION OF B. N. A. ACT ON AGENDA

From Our Own Correspondent

OTTAWA.—National debt conversion at present lower interest rates is believed to have made distinct progress at the Dominion provincial conference which opened here this week. Contacts with provincial delegates reveal a surprisingly strong body of opinion in support of a clearly thought out, definitive scheme which will be sponsored probably by Hon. Charles A. Dunning, minister of finance.

It is learned that this scheme calls for the creation by statute of a Loans' Council. The Dominion will appoint it but the provinces will have representation. The Dominion debt will not come under the council and it will be entirely voluntary so far as the provinces are concerned.

If a province desires to come under the council, its debt will be converted probably under Dominion guarantee, thus assuring a substantial reduction in interest charges. Provinces coming under the council, however, will have to surrender their present sovereign right to incur debt. They will be able to incur debt only with the express approval of the council. This surrender, naturally, will ride throughout the term covered by Dominion guarantee.

There may be variations of this scheme put before the conference and accepted. In substance, however, it is thought very likely that a move along this general line will be approved and will be acted upon at the forthcoming session of parliament.

Provincial Demands

Early developments behind the closed doors of the sub-committee rooms indicated that the Dominion government is going to experience the utmost difficulty standing off provincial demands for more generous Federal contributions to unemployment relief. The larger cities clamored to be relieved of further responsibility. Their position was endorsed, in whole or in part, by every provincial delegation.

In effect, therefore, the Dominion stands out against the united provinces and municipalities in seeking to avoid additional outlays from the national treasury on this score. Whether the Dominion can maintain its attitude is doubtful. In any event, it is clear that custodians of the national treasury will fight every inch of the way.

Revise B. N. A. Act

The long battle for constitutional reform, obviously, is to be decided in favor of the reformers. The Dominion government nailed constitutional amendment to the mast at the outset and one by one the provincial premiers did the same. Even Premier L. A. Taschereau, of Quebec, the most doughty opponent, in past years, of constitutional tampering, expressed his willingness to move

(Continued on page 2, col. 4)

Week's Figures Record Gains

A big month of sales activity in the bond market and evidence of increased activity in boot and shoe plants and in flour mills, features the week's figures. For further details see page 7

		—Change— From Prev. Period %	From Prev. Year %
Monthly:	**October**		
Boot & shoe prod. pr.	1,911,713	— 3	+ 7
Flour prod., bbls.	1,824,754	+ 18	+10
	November		
Bond sales	$131,418,000	+100	+2160
Weekly:			
Car loadings, No.	46,815	— 4	+ 2
C.P.R. gross earn.	$3,647,000	+ 34	+ 9
C.N.R. gross earn.	4,583,827	+ 31	+ 5
Cattle sales, No.	17,689	— 21	+19
Hog sales, No.	15,729	— 10	—22

DOMINION REVENUE GAINS $2 MILLIONS DURING NOVEMBER

Deficit For First Eight Months Increases $1.6 Millions

Deficit of the Dominion government for the first eight months of the present fiscal year is $37.7 millions. This is an increase of $1.6 millions over the corresponding period of 1934.

With revenue higher by $2 millions and expenditures $4.5 millions lower, November's budget position in 1935 was better than in 1934. The deficit for the month was only $16.3 millions as compared with $22.9 millions in November, 1934. Larger revenue was obtained from customs duties, excise duties, excise taxes, income taxes and the post office department.

Reduction of expenditures on ordinary account is entirely due to lower interest on the public debt as a result of refunding operation in 1934.

Revenue for the eight month period is up $12 millions over the same period of 1934. Expenses, however, increased $14 millions due largely to increased expenditures on public works. Unemployment relief charges are down by $1 million while expenditures under the Public Works Construction Act increased from $4.3 millions in the eight months ended Nov. 30, 1934, to $20.1 millions in the eight months ended Nov. 30 last.

Dominion Revenue and Expenditure
Eight Months to Nov. 30

	1935 $ 000's	1934 $ 000's	Change $ 000's
Revenue:			
Customs duty	51,315	51,813	—502
Excise duty	30,008	30,127	—119
Excise taxes	72,657	74,272	—1,615
Income tax	69,699	52,193	+17,506
Gold tax	1,413	4,557	—3,144
Post office	19,289	18,570	+719
Miscellaneous	12,642	13,530	—888
Special	267	233	+34
Total	258,290	245,295	+12,995
Expenditure:			
Ordinary	245,675	243,279	+2,396
Special	44,494	31,251	+13,243
Capital	5,824	6,938	—1,114
Total	295,993	281,468	+14,525
Month of November			
Revenue:			
Customs duty	7,463	6,514	+949
Excise duty	4,089	3,984	+105
Excise taxes	11,170	10,408	+762
Income tax	3,875	2,788	+1,087
Gold tax	6	684	—678
Post office	2,915	2,588	+327
Miscellaneous	1,724	2,257	—533
Special	9	10	—1
Total	31,251	29,233	+2,018
Expenditure:			
Ordinary	40,455	46,642	—6,187
Special	6,827	5,332	+1,495
Capital	317	209	+108
Total	47,599	52,183	—4,584

Highlights

Hitler Firmly in the Saddle

A Canadian observer finds the new Germany has strengthened its position and is forging ahead under "Der Fuehrer." Page 13

A New Oil Boom?

Canada's oil and gasoline industry is passing through a significant phase. What of the tariff? Page 8

Ontario's Power Needs

Prospects are seen that the province will eventually need all the Quebec power it can obtain. Page 17

New Business Trends

Research and engineering efforts are yielding a variety of new products for development in building, transportation, and industry. Page 24

McKenzie Island

Scene of active gold mining development in Red Lake has colorful history dating back to Canada's Indian wars. Page 23

Will Gold Price Rise?

Holders of Canadian gold securities must adopt long term view of participation in mining profits. Page 12

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Chains Will Contest Montreal Special Tax

From Our Own Correspondent

MONTREAL.—Declaration in a case to contest the special Montreal taxes on meat and grocery stores was filed in the Superior Court here on December 3 by Stop & Shop, Ltd., the Great Atlantic & Pacific Tea Co., Ltd., Thrift Stores, Ltd., and Dominion Stores, Ltd.

SILVER SLUMP MAY SPEED UP WORLD ACCORD

Collapse in World Markets Arrests Base Metal Recovery

CHINA SELLING

Can U. S. Treasury Adhere Silver Purchasing Policy in Face of Vast Supplies?

With breath-taking suddenness world silver markets virtually collapsed recently, shaking, in their fall, Canadian mining markets, and, less violently, industrial shares.

Just how serious this collapse in silver may turn out cannot yet be judged. Many complex factors have been behind the market for months. Chief of these has been the silver purchasing policy of the United States, under which the treasury is committed to buy until there is one ounce of silver for every three of gold in the treasury's metal reserves. This policy has been the only tangible support for the world markets for many months.

Base Metal Reaction

One result of the sudden collapse, however, is already clear. For months, the decks have been cleared for a major recovery in Canadian base metal stocks. World surpluses of base metals have been showing encouraging declines, metal prices have been rising, and shares in Canadian base metal companies have risen steadily until the index of the Dominion Bureau of Statistics has reached the highest point since 1930.

Since silver forms an important by-product of most of these base metal producers, a collapse in the world silver price resulted, for the time being at least, in taking the cream off this base metal recovery.

Behind the Collapse

Behind the collapse of silver lies a strange situation. The silver purchasing policy of the United States, admittedly formulated by the powerful bloc in the senate, was launched in June, 1934. As soon as Washington stepped into the world silver market as a purchaser, with potentially no limits to the amounts of its purchases, silver prices long in the doldrums, started to recover. Steadily the United States treasury started absorbing supplies in the world market until the price reached the highest point in several years. In April of this year it actually reached around 77 cents an ounce. The fact that gold started pouring into the U.S. treasury in a steadily-accelerating stream did not, until recently, seem to daunt the treasury in its silver purchasing programme. This view persisted despite the fact that every ounce of gold entering the treasury, made the ultimate goal of the silver purchasing policy more difficult of attainment.

China Takes the Bit

In the meantime, China, which has vast reserves of silver with which to back its currency, found itself hard put to protect its supply in the face of rising world prices. Accordingly it imposed a tax on export of silver, and later nationalized its silver stocks.

China has, and is, obviously trying to link its currency to sterling. To do this, it could abandon its silver currency standard, in favor of a managed currency hooked to sterling.

More recently still, China, as a result of these moves, found herself with huge stocks of silver—stocks so huge, in fact, that she could sell large blocks of it on the world market and not disturb her domestic currency.

This, it is believed, is what caused the recent impasse in the world silver markets. Large selling orders from the east faced the U. S. treasury, which, apparently for the first time, openly hesitated in its silver purchasing programme. The result was that at London, centre of the world's silver market, no price could be fixed, and the market staged a virtual collapse.

One result of these developments may be an unexpected hastening of international currency stabilization. It is obvious that the silver market, supported almost entirely by the fiscal programme of the United States, was not on a very firm foundation. If the collapse disturbs the already squeamish currency situation, the attention of the world may be very forcefully directed to the need for stabilization.

Dominion Stores Decline in Sales Stopped in Nov.

For the first time this year Dominion Stores reports an increase in sales, November sales being $54,787 higher than in the corresponding period of 1934. Sales for the month totalled $1,405,210.

For the first eleven months sales are over $1 million lower than last year. To Nov. 30 sales totalled $16,300,414 as compared with $17,454,625 in the corresponding period of 1934.

Improvement in the company's sales in November despite the fact that there were nine fewer stores operating than in corresponding 1934 period reflects steps taken by the company to improve its merchandising policy. During the current year the company has renovated and modernized its stores and set up a system of coding of merchandise to ensure freshness.

Head Office Montreal

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efficient banking service
—backed by resources,
experience and reputation
of 118 years' successful
operation.

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Established 1817
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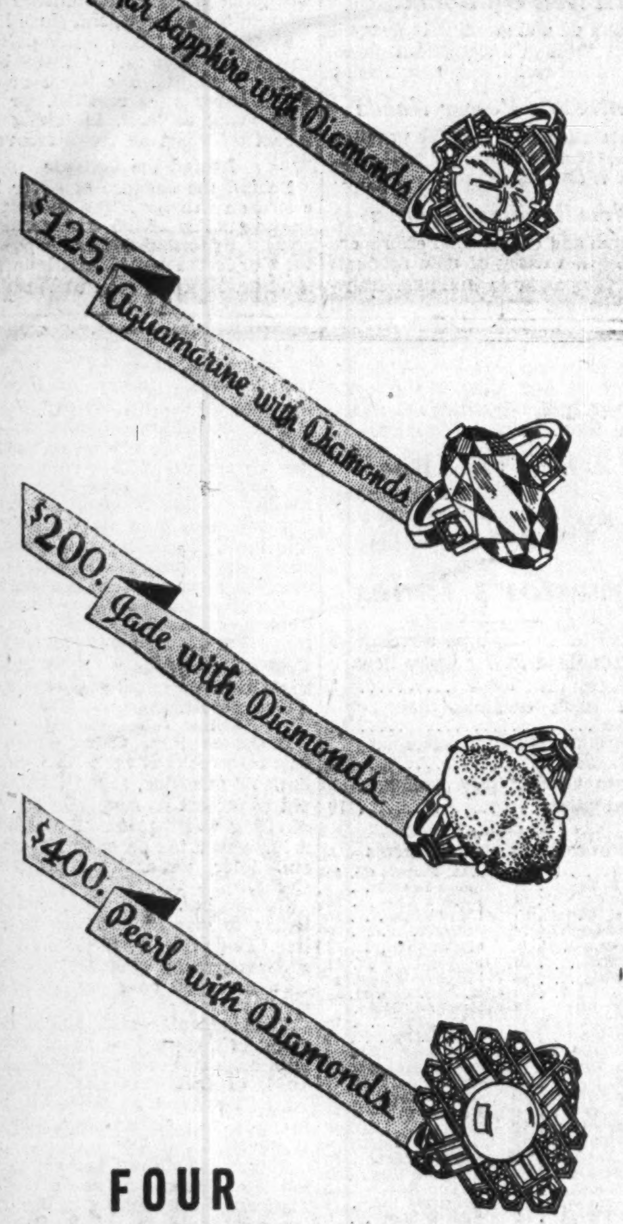
THE GIFT OF
A RING


$315. Star Sapphire with Diamonds
$125. Aquamarine with Diamonds
$200. Jade with Diamonds
$400. Pearl with Diamonds

FOUR
EXAMPLES
from a fascinating collection . . . . .

Presenting styles as exclusive as they are lovely . . . . .

Notice how, in each case, they conform to the new tendency . . . . .

Whereby colored gems such as sapphires, emeralds, rubies, zircons, are combined with the chaste brilliance of diamonds . . . . .

Not forgetting also the traditional affinity of pearls and diamonds . . . . .

May we show you this Christmas collection? Prices range from much higher to much lower than these four examples . . . . .

Rings are shown larger than actual size.

Birks-Ellis-Ryrie
JEWELLERS
YONGE AT TEMPERANCE - TORONTO

Mail Inquiries invited.

The Nation's Business

(Continued from page 1)

AMALGAMATION and joint operation seem both to be definitely barred. The government's programme involves three major points:

1. Creating more traffic..
2. Operating the Canadian National economically.
3. Meeting competition by modernized practices and lower rates.

The policy flowers naturally from the larger Liberal policy of looking to recovery to solve the financial problems of the country. It will be disappointing to those who feel that the railway problem in Canada is larger than the general public realize. And it is not one calculated to educate the public to the seriousness of our railway losses as a factor in heavy taxation on the homes and factories of Canada.

Curiously, Mr. Howe made no attempt to outline the railway problem as a very serious one. Until he makes the people see it as a major national issue, he will not obtain public support for important measures to ease it.

• • •

HON. MR. HOWE is a business man and engineer accustomed to dealing with large problems. So is his associate, the Minister of Finance, Hon. Charles A. Dunning, who has to find the money to meet C. N. R. deficits. It may be that they feel that their policy goes as far as a comparatively uninformed public would accept at the moment. It may be that, if railway deficits continue, they will be ready later to sponsor a more drastic move to greater economies or even the "major operation" that may be necessary to solve our railway problems.

The new railway policy will not be regarded by business men as very realistic, although it probably is not the cabinet's final thoughts on the subject.

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Power Contracts; Question of Honesty

ONTARIO has finally declared effective the legislation by which the Quebec power contracts of its Hydro-Electric Power Commission are cancelled. Actually the legislation says that the contracts were always illegal and unenforceable. As the government closed the courts to a test of that view no one takes the claim very seriously.

The repudiation legislation, by closing the courts to injured citizens, is an inexcusable attack upon the liberty of the subject. On this ground, the federal government may find it necessary to disallow it.

What Ontario has done is to get out of a bad bargain by using the sovereign power of the legislature to erase the province's signature from a group of contracts. This is exactly the same thing as repudiating a provincial bond issue.

It is dishonest. It does save the province a certain amount of money immediately. The savings will probably prove in time to have been dearly gained. Ontario has definitely injured its credit standing and for this the taxpayers will pay for decades to come.

• • •

THE blindness of the government and some of its supporters to this inevitable consequence is one of the features most to be deplored. There has, for example, been very widespread regret that the Toronto Globe, a paper of exceedingly high principles and independence in political thought, has been one of the most earnest supporters of the repudiation policy. It was rather ironical that on the morning The Globe announced the final act of repudiation in its news columns it published alongside the story an editorial headed "The Damage Is Not Undone." No doubt hundreds of Globe readers jumped to the editorial hoping for a protest against such a dishonest government act. If so, they were disappointed to discover that it was a criticism of Ottawa's policy on oil sanctions, a matter in which the breach of faith, if any, is less obvious and more debatable than in the power bond steal.

• • •

Who Made Bond Profits?

THE protracted delays that have accompanied the final proclamation of the repudiation legislation have been accompanied by many rumors and cross-rumors about the government's real intentions. Unofficial spokesmen for the government have at times sponsored an assortment of propaganda which has kept the affected bonds precipitously rising and falling in the market. Large profits must have been made and large losses suffered in these moves. The public has a right to know who made these profits and where they got the information on which they acted.

Ontario has a Security Frauds Commissioner who has shown himself quick to investigate unduly sharp price movements in stock and bond markets. He has an unhealthy subject for his probe in the market for power bonds. It is his duty to the public to make a thorough investigation, no matter what public or private individuals get hurt.

• • •

Fifty Years of Personality

THIS week the Ottawa Journal attained the age of 50 years and has been showered with congratulations from journalistic contemporaries throughout Canada. To these The Financial Post would add its word of tribute.

It does so the more readily because of three outstanding facts about the Ottawa Journal:

First, it is a paper with a personality, as R. F. Parkinson, its managing director, made clear in replying to a local tribute to the Journal on Tuesday.

Second, it always ranks near the top and is usually first among the daily newspapers of Canada in the number of quotations from its columns appearing in other papers. Such quotations are an excellent index of editorial originality and precision of statement,

Third, it has had the good fortune to have, as its inspiring force during its life, P. D. Ross, one of the major figures in Canadian journalism.

No newspaper could ask for greater assets than these.

A BLOW TO LIBERTY

(Continued from page 1)

tection of those rights by impartial trial. In this development of personal liberty nothing has been more important than the protection of the individual from abuse of power by those whom political chance has placed in temporary authority.

If the legislature exceeds its constitutional powers it is the proud boast of British Democracy that anyone injured by the result of such legislation may seek protection from our courts. So long as an individual or a corporation observes existing laws, either in his personal activities or his contractual relationships, it has been our claim that the most humble member of the community shall be protected in his course of action.

Immoral, But More Direct

If the legislature had cancelled the contracts on the ground that they were improvident or that it was impossible for the Hydro-Electric Power Commission of Ontario to bear the burden which they created, it would, at least, have been a straightforward method of dealing with the matter, no matter how immoral the procedure might have been But when the legislature declared the contracts to have been illegal, void and unenforceable it struck at the very foundation of our democratic system by usurping the function of the court to impartially determine the effect of any legislative enactment upon the public. It went still further and denied anyone affected by this declaration the right of appeal to the courts.

Rôle of Courts

If these contracts entered into between the Hydro-Electric Power Commission of Ontario—not the Ontario Government — and various power companies, were, in fact, illegal, void and unenforceable, then the proper place for that to be determined was before our courts. Conceivably, any individuals adversely affected—if the court should decide that these contracts were, in fact illegal, void and unenforceable—might have recourse against those who sold them the securities which they hold. But, as the Act now stands, neither the power companies nor the thousands of small investors throughout Ontario, who have bought these securities upon the advice of competent legal authorities, have any recourse whatever.

Did Not Believe It

The conviction is inescapable that the Government of Ontario does not truly believe that the contracts were illegal, void and unenforceable. If they had been such a declaration was utterly unnecessary.

It must be remembered that it is not those known as the "Power Barons," in the jargon of Ontario politics, that will be the real sufferers by this cancellation, but the large number of individuals who hold these bonds and those organizations such as the insurance companies and trust companies which hold millions of dollars of public money for investment.

End to Financing

In principle, there is no more reason why these contracts should be cancelled without recourse to the courts, than any other contracts between corporations or individuals which ultimately affect the public. If the present course is justifiable then any large contracts, involving the ultimate supply to the public of necessities of life, could be embraced in the same principle. If this were done it would not be long before the financing of public ventures would become impossible.

If the legislature is to be the interpreter as well as the maker of laws, then there would seem to be no limit to the extent to which the rights of the individual might be abrogated under the sovereign authority of the state.

Loss of Liberty

If the legislature is to try and judge under the laws which it has made, then it would not be long before we might again have political trials of individuals and the complete loss of personal freedom.

One only need look at the dictatorships in Europe to see how far the clock has been set back there. What has now been done by the Province of Ontario is a long step in the same direction of placing complete power in the hands of those in political authority with no protection from them for the citizen.

Dominion Should Act

No matter what the Dominion Government may think of the merits of the argument in regard to the manner in which the contracts were executed it should disallow the act of cancellation on the ground that this is a breach of the basic principle of British jurisprudence that everyone may have his rights determined by the courts and not by a political tribunal.

Lt.-Col. Drew

Lt.-Col. George A. Drew, K.C., is a well-known barrister and author, who is now practising law in Toronto. A former commissioner under the Security Frauds Prevention Act of Ontario, during the Henry government régime, he has a keen understanding of the position of the investor toward his securities.

In this article, he brings out a little emphasized but very vital feature of the power contract legislation proclaimed last week by the Ontario cabinet.

NATIONAL LOAN BOARD SEEN CHIEF OBJECTIVE OF OTTAWA CONFERENCE

(Continued from page 1)

forward rapidly along the path of revision.

This conference, therefore, seems certain to agree upon the formula for the amending of the British North America Act. Once the mechanics of change have been perfected, amendments will follow as a matter of course.

Expect Big Progress

It is evident that big things will come out of this conference. On some of the major problems of the day there promises to be complete harmony and early action. On others, there appears to be no prospect of unanimity and the very best that can be achieved is a compromise.

At Monday's plenary session, with the press gallery in attendance and photographers wandering about taking flashlights, Canada's statesmen in office staged a striking political spectacle. Ten prime ministers pledged their devotion to the task of solving the riddles of the constitution, unemployment, debt, taxation and lesser conundrums — the dragons which bar the path to prosperity. They proclaimed their unity of purpose, their common will to co-operate in the best British spirit of compromise.

Put Heads Together

Then the conference disappeared underground into sub-committees where delegates came to grips with the problems they had bravely challenged at the plenary session.

In addition to the major questions before the conference, the agenda includes others which are of considerable importance. They include: agriculture and marketing, delimitation of taxation fields as between the Dominion, the provinces and the municipalities; overlapping of governmental services and tourist traffic.

It was notable that several western delegates strongly advocated revival of public works construction as the best means of coping with unemployment. Their suggestions drew no comment from eastern delegates or the Dominion.

Bond Redemptions

Bond Issues:	Rate	Year	Date	Price
Int. P. & P. Nfld.	4½%	1948	Jan. 15	100
Riordon P. & P.	6%	1942	Dec. 31	▪105
Acadia Sugar ..	6%	1946	Jan. 1	103
Matapedia Val. L. & Pr.	6½%	1944	Feb. 3	102½
Ham. By-Prod..	7%	1943	Feb. 1	102
Mt. Royal Tunnel	5%	1970	Apr. 15	100
Colon'l Wire Mfg.	6%	1945	Jan. 2	105
Can. Rolling Mills	6%	1938	Jan. 2	*102½
Wood, Alex. & J.	▲6%	1944	Jan. 3	103
Eaton Realty	5%	1949	Feb. 1	100
Maritime Tel.	6%	1941	Jan. 1	110
Nfld. L. & Pr. ..	6½%	1949	Jan. 1	105
Can. Crush. Stone	6½%	....	Dec. 20†	...
Asbestos Corp. ..	5%	1942	Jan. 1	105

For sinking fund: ▪$74,000. ▲$12,000.
*Together with interest at 7 per cent per annum from date of last coupon.
†$15,300.

Stock Issues:	Rate	Stock	Date	Price
Can. Dredge & D.	7%	Pref.	Jan. 31	107½
Can. Packers	7%	Pref.	Jan. 1	110

MAY REFUND DUMP DUTIES EMPIRE GOODS

(Continued from page 1)

body, or a court of appeal from tariff actions either of the ministry or of the department.

Nullifies Valuations

In due course an appeal against this jute twine order was carried to the commission which ruled, late in October, that all valuations against British goods had been rendered null and void by the 1932 amendment.

A prolonged delay followed, in which the government maintained the valuations and ignored the indignant protests from the United Kingdom and other parts of the Empire.

In the spring of 1934 the government moved to sustain the protective system built up in these valuations.

Instead of challenging the soundness of the decision of the tariff commission, the ministry assailed the right of the commission to give it. A stated question was addressed to the supreme court and the ruling effectively demoted the tariff commission to the status of an "annex" of the National Revenue Department.

No Authority Over Tariff

It had no authority over tariff enforcement, could act only with the consent of the Minister of National Revenue. In effect, this meant that there was no appeal in matters of tariff administration.

The outcry against the valuations, however, was loud, and the government moved as rapidly as circumstances would permit to amend the tariff to make permanent the protection hitherto afforded by order-in-council. As the tariff was raised, the orders were rescinded.

Today there are but two valuations which affect British goods—wire rope and jersey wool cloth. But the implementation of the undertaking given by Canada in the Ottawa Treaties has brought no real lessening of tariff. True, the actual tariff increases in most cases were not as great as the special tariff imposed by order-in-council.

But in fact the lowering of tariff which Great Britain and other parts of the Empire were led to expect—by reason of Canada's promise to remove the arbitrary valuations as soon as possible—has not been realized.

Had the tariff commission possessed the power to interpret the law and to pass upon the administrative acts of the National Revenue Department, these valuations would have fallen two years ago.

The Exchequer court now declares that the tariff commission was right.

McColl Frontenac Shares Listed on Toronto Board

McColl-Frontenac preferred and common stocks are being listed on the big board of the Toronto Stock Exchange. on Friday, December 13. The common stock has hitherto been listed on the Toronto Curb but this is the first time the preferred stock has been listed on any exchange.

The total shares listed are 78,405 shares of 6 per cent cumulative, redeemable, sinking fund preferred stock of $100 par value and 660,000 no par value common shares.

HIGH TOWER OIL MAKES OFFERING OF ITS STOCK

Large Dividends Paid by Company Newly Introduced to Canadians

From Our Own Correspondent

MONTREAL. — High Tower Oil and Refining Co. (Canada) stock is being publicly offered by Bonded Corp. in units of 2 shares of 6 per cent preference of $10 par value and one share of common stock of no par value at $21 per unit.

The High Tower Co. reports that it is a complete entity in the oil industry, being engaged through its Texas subsidiary in the production of oil from its own leases, refining of crude oil and marketing of the resultant products.

Proceeds of the stock offering will be used to expand the business of the company. Upon completion of present financing the company expects to have outstanding $2 millions preference and 176,000 common shares.

Harding Carpets Concerned About Tariff Prospect

Concern lest the tariff on textiles from Great Britain be reduced is expressed by A. E. Cuthbertson, president of Harding Carpets Ltd., in his annual statement to shareholders.

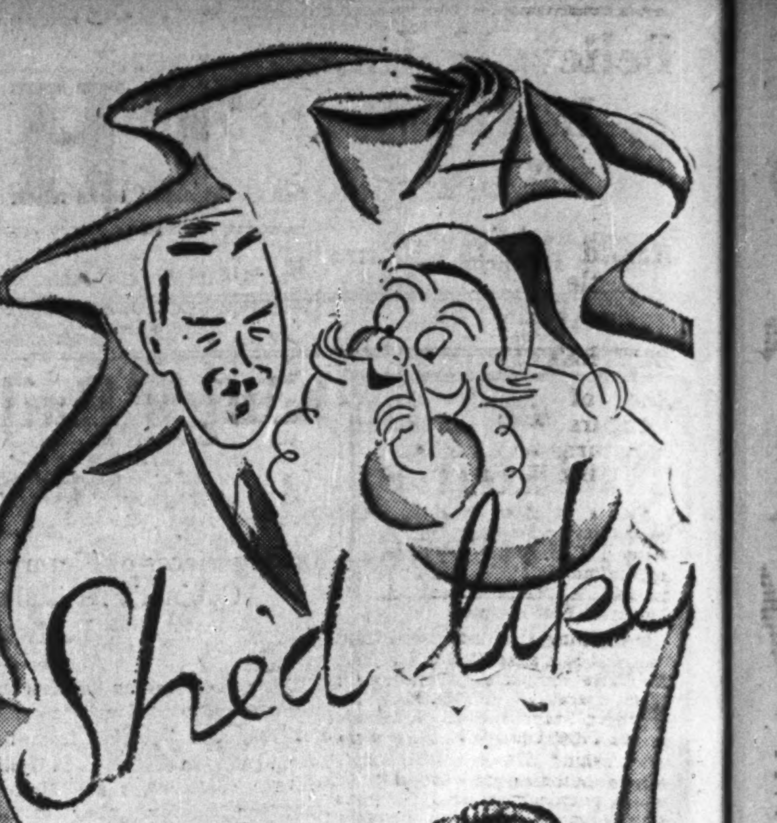
"The tariff situation at present causes us some concern," says Mr. Cuthbertson, "as the new government has predicted reductions in textile tariffs in favor of British imports. Due to the extreme difference in costs of production, this would likely have an adverse effect on our industry, but the government is pledged to protect and increase employment, which leads us to hope that careful consideration will be given to the interests of investors and wage earners before any decision to change our protection is reached.

"Apart from the foregoing, the prospects for 1936 are quite encouraging, due to generally increasing purchasing power throughout the country and the well-known need for furnishing replacements in all parts of Canada."

Dividends

	This payment	Date payable	Date of record
Agnew-Surpass pf.	$1.75	Jan. 2	Dec. 16
Acme Glove, pfd.	81c	Dec. 14	Nov. 30
Assoc. Brew.	25c	Dec. 31	Dec. 15
Do., pref.	$1.75	Jan. 1	Dec. 15
Amer. Cyanamid A	15c	Dec. 31	Dec. 14
Do., B	15c	Dec. 31	Dec. 14
Bk. of Canada	1.12½c	Jan. 2	Nov. 30
Belding-Cort.	$1	Jan. 2	Dec. 14
Do., pref.	$1.75	Jan. 2	Dec. 14
Bell Telephone	$1.50	Jan. 15	Dec. 23
Brazilian Tr., pf.	$1.50	Jan. 2	Dec. 14
B. C. Power, A	37c	Jan. 15	Dec. 31
Bruck S. Mills	30c	Jan. 15	Dec. 16
Bk. of N. Scotia	$3	Jan. 2	Dec. 16
Bright, T. G.	7½c	Dec. 15	Nov. 30
Do., pref.	$1.50	Dec. 15	Nov. 30
Biltmore Hats, pf.	$1.75	Dec. 14	Nov. 15
Caribou Quartz	2½c	Jan. 1	Dec. 21
Cons. Div. Std. Sec. pfd.	25c	Dec. 15	Dec. 1
Canada Bud. c.	20c	Dec. 20	Dec. 2
Can. Cottons	$1	Jan. 2	Dec. 13
Do., pref.	$1.50	Jan. 2	Dec. 13
Can. Gen. Elec., c.	75c	Jan. 1	Dec. 14
Can. Malting	37½c	Dec. 16	Nov. 30
Do., extra	50c	Dec. 16	Nov. 30
Can. Perm. Mtge.	$2	Jan. 2	Dec. 14
Confederation Life	$1	Dec. 31	Dec. 25
Consumers Gas	$2.50	Jan. 2	Dec. 14
Can. North. Pr.	30c	Jan. 25	Dec. 31
Do., pref.	$1.75	Jan. 15	Dec. 31
Can. Canners, 1st p.	$1.50	Jan. 2	Dec. 14
Can. Celanese, pf.	$1.75	Dec. 31	Dec. 17
Can. For. Inv.	40c	Jan. 1	Dec. 15
Do., pref.	$2	Jan. 1	Dec. 15
Can. Wire Box, A	•25c	Jan. 2	Dec. 16
Celan. of Amer., pf.	$1.75	Jan. 1	Dec. 17
Do., part. pf.	$3.50	Dec. 31	Dec. 17
Central Can. Loan	$2	Jan. 2	Dec. 20
Coniagas Mines‡	12½c	Jan. 10	Dec. 31
Cons. Bakeries	20c	Jan. 2	Dec. 17
Do., extra	10c	Jan. 2	Dec. 17
Cons. Smelters	$1.25	Dec. 31	Dec. 16
Do., bonus	$4	Dec. 31	Dec. 16
Can. Westinghouse	50c	Jan. 1	Dec. 20
Can. & Dom. Sug.	37½c	Dec. 1	Nov. 15
Do., extra	50c	Dec. 1	Nov. 15
Can. Bread, 1st pf.	$1	Jan. 2	Dec. 14
Can. Indus. A & B	$1	Jan. 31	Dec. 31
Do., extra	$1.25	Dec. 16	Dec. 10
Do., pref.	$1.75	Jan. 15	Dec. 31
Dom. Glass	$1.25	Jan. 2	Dec. 16
Do., pref.	$1.75	Jan. 2	Dec. 16
Dom. Textile	$1.25	Jan. 2	Dec. 16
Do., pref.	$1.75	Jan. 15	Dec. 31
Dome Mines	50c	Jan. 20	Dec. 31
Dominion Bank	$2.50	Jan. 2	Dec. 20
Falconbridge N.	7½c	Dec. 21	Dec. 5
East. Steel, pf.	$1.75	Jan. 1	Dec. 16
Fanny Farmer	12½c	Dec. 31	Dec. 16
Goodyear Tire, c.	63c	Jan. 2	Dec. 14
Do., pref.	62½c	Jan. 2	Dec. 14
Gachin Gold	25c	Dec. 31	Dec. 15
Howey Gold	2c	Dec. 14	Nov. 14
Hudson B. Mining	50c	Dec. 16	Nov. 29
Ham. Un. Theat., p.	$1	Dec. 31	Nov. 30
Hinde & Dauch	12½c	Dec. 21	Dec. 14
Hollinger Gold	5c	Dec. 31	Dec. 13
Huron & Erie Mtge.	$1.50	Jan. 2	Dec. 14
Imp. Tobacco, ord.	8½c	Dec. 31	Dec. 13
Int. Nickel, pf.	$1.75	Feb. 1	Jan. 2
Inter. Nickel c.	25c	Dec. 31	Dec. 2
Inter. Mining	15c	Dec. 20	Nov. 29
Do., extra	5c	Dec. 20	Nov. 29
Lake Shore M.	50c	Dec. 16	Dec. 2
Invest. Found. pf.	38c	Jan. 15	Dec. 31
Do., on arrears	12c	Jan. 15	Dec. 31
Do., extra	50c	Dec. 16	Dec. 2
Little L. Lac Gold	10c	Jan. 20	Dec. 19
L. of W. Mill., p.	•$1.75	Dec. 16	Nov. 30
Louisiana Land, c.	10c	Dec. 16	Dec. 2
McColl-Fron. pf.	$1.50	Jan. 15	Dec. 31
Marcus Loew's, pf.	*$1.75	Dec. 21	Dec. 10
Mitchell, J. S., pfd.	$1.75	Jan. 2	Dec. 16
Mtl. C. & D. Bk.	$3	Jan. 2	Dec. 14
Do., bonus	$1	Jan. 2	Dec. 14
Mtl. Loan & Mtge.	62½%	Dec. 16	Nov. 30
McLennan, McFeeley c. A	10c	Dec. 30	Dec. 23
Do., c. B	10c	Dec. 30	Dec. 23
McWatters G., M.	5c	Dec. 18	Dec. 4
Monarch Knit pf.	$1.75	Jan. 2	Dec. 14
Melchers, A	•5c	Dec. 16	Dec. 2
Mtl. Cottons, pf.	$1.75	Dec. 15	Nov. 30
Nat. Breweries	40c	Jan. 2	Dec. 16
Do., pref.	43c	Jan. 2	Dec. 16
Nat. Grocers, pfd.	$1.75	Jan. 1	Dec. 21
North Star Oil, pf.	17½c	Dec. 20	Dec. 6
Nat. Biscuit	40c	Jan. 15	Dec. 13
National Trust	$2	Jan. 2	Dec. 21
Noranda Mines‡	$1	Dec. 28	Dec. 14
Ottawa L. H.	$1.50	Jan. 2	Dec. 14
Do., pref.	$1.62½	Jan. 2	Dec. 14
Ottawa Traction	50c	Jan. 2	Dec. 14
Page Hersey Tubes	75c	Jan. 2	Dec. 14
Pioneer Gold	20c	Jan. 2	Dec. 2
Ont. Loan & Deb.	$1.50	Jan. 2	Dec. 16
Ont. Silknit, pf.	$1.75	Dec. 15	Dec. 2
Pressed Metals	25c	Jan. 2	Dec. 16
Perfect Circle	50c	Jan. 1	Dec. 17
Premier Gold	3c	Jan. 15	Dec. 16
Do., extra	1c	Jan. 15	Dec. 16
Real Est. Loan	$1	Jan. 2	Dec. 17
Riverside S. Mills	25c	Jan. 2	Dec. 14
Do., on arrears	25c	Jan. 2	Dec. 14
Reliance Grain, pf.	$1.62½	Dec. 14	Nov. 30
Reno Gold	3c	Jan. 2	Dec. 10
Secur. Hold. pf.‡	50c	Jan. 2	Dec. 17
Std. Silver & Lead	1c.	Dec. 20	Dec. 1
Sylvanite Gold	5c	Dec. 31	Nov. 23
Siscoe Gold	5c	Dec. 16	Nov. 30
South. Can. Pr. pf.	$1.50	Jan. 15	Dec. 20
Supertest Pete. c. & ord.	50c	Jan. 2	Dec. 13
Do., A pref.	$3.50	Jan. 2	Dec. 13
Do., B pref.	75c	Jan. 2	Dec. 13
San Antonio	7c	Dec. 20	Dec. 5
Sher.-Williams pf.	▪$1.75	Jan. 2	Dec. 15
Sunshine Mines	50c	Dec. 30	
Tip Top Tailors, pf.	$1.75	Jan. 2	Dec. 14
Teck Hughes	10c	Jan. 2	Dec. 10
Tor. Elevators pf.	$1.75	Jan. 15	Jan. 2
Tor. Gen. Trusts	$1	Jan. 2	Dec. 16
Tor. Mortgage	$1.50	Jan. 2	Dec. [illegible]
West. Grocers	50c	Jan. 15	Dec. 1
Do., pref.	$1.75	Jan. 15	Dec. 20
Walker, H., pfd.	25c	Dec. 16	Nov. 22
W.-Hargreaves	10c	Jan. 2	Dec. 10
Do., extra	5c	Jan. 2	Dec. 10
Zellers, pfd.‡	$1.50	Dec. 15	Nov. 30

‡Interim.
▪For quarter ended Feb. 28, 1934.
•On arrears.
*For quarter ended Sept. 30, 1929.



Something Personal

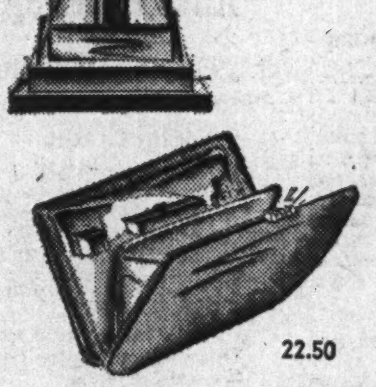
So SIMPSON'S has singled out these few suggestions just to give you an idea of what women find especially acceptable. At the Store, you'll discover many, many more at just about the price you'd like to pay.

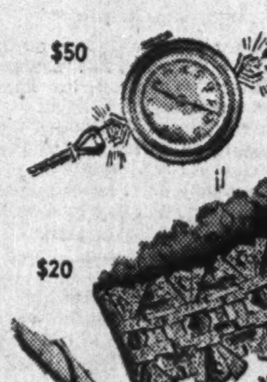
Hostess Gown

One of a particularly inviting collection. Deep fuchsia velvet, superbly shirred and fitted. Sheath-like satin slip in dusty pink. Enormous gold braid frogs. At 29.75

Antelope Bag

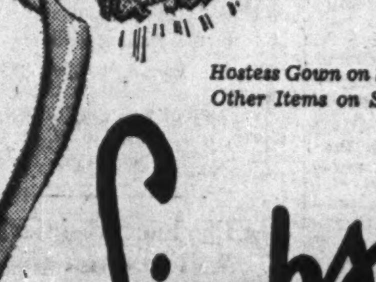
Gleaming charcoal black—its only trim an individual clip in crystal and brilliants. Rich satin lining and fittings worthy of a princess. At $35





Blue Grass Perfume

From Elizabeth Arden. One of the many items in this famous maker's selection. Handsomely bottled. At 12.50



Fitted Evening Bag

From Elizabeth Arden. Icy white brocade conceals the invaluable beautifiers inside. At 22.50

Gruen Watch

The most feminine interpretation of a watch by this well-known maker we've seen. Small and round, set with a tiny, glittering diamond on either side. Slender black cord. At $50

Wide Bracelet

Encrusted with brilliants. Scintillating enough for any formal occasion. One would impress her—a pair would be devastating! Each $20

Hostess Gown on Second, and Other Items on Street Floor

Simpson's

Believe No Improvement In This Year's Earnings Western Loan Companies

Rusted Wheat Returns Little Cash for Debt Reduction

BUT BETTER OUTLOOK

End of Prairie Drought Augurs Well for Future Returns — Mixed Farming Revenue Up

Profits of those trust and loan companies operating entirely in Western Canada are expected to be approximately the same this year as in 1934, a recent survey by The Financial Post indicates.

If anything, it is understood, earnings will be a shade lower especially for those companies which confine their operations to Manitoba and Southern Saskatchewan. Collections in these districts are running somewhat behind 1934 on account of the severe outbreak of rust last fall which practically blasted the wheat area in most of Manitoba west of Winnipeg and in southeastern Saskatchewan.

Wheat Hit

In this area wheat is the major crop. From it the largest part of the farmer's cash revenue is secured. Usually he depends upon it to pay his taxes, pay off loans or interest on mortgages, and also on notes to machinery companies.

On the other hand, in those districts which were hit by rust there are ample supplies of fodder, which will mean that there will be plenty of raw material for the production of beef, dairy products and other lines of mixed farming. Incidentally, too, there will be plenty of food for the families themselves. This is the reverse of the situation a year ago in that part of southern Saskatchewan where drought was so serious that many farmers were dependent upon relief for their food supplies.

But Buying Higher

Revenue, however, from the sale of beef cattle, dairy products, etc., is usually ear-marked for family purchases such as groceries, clothing and other household supplies. This money comes in over the whole year, in small amounts, and therefore is more adaptable to settling monthly bills. In fact much of the produce so sold will go through local stores and be taken out "in trade." The very moisture which produced the rust was responsible for the improvement in the production of fodder and garden crops, as well as late coarse grain.

Thus, in Manitoba and southern Saskatchewan where the wheat crop was very seriously affected and debt and tax collections reduced, retail purchasing power has actually improved over 1934. This will not affect the immediate earnings of the trust and loan companies, but it has improved conditions for the average business man and resulted in a much more hopeful feeling in the considerable area of the Prairie Provinces affected.

Some Areas Better

In northern Saskatchewan and central Alberta collections by mortgage companies are expected to run well above 1934. In the south of Alberta where drought was serious and in the northern section where early frost hit ripening wheat, collections will be lower.

In British Columbia some improvement has been noted and collections will probably average slightly higher. The reason for this, however, is that agriculture in B.C. is more of a mixed proposition, with farmers largely dependent on cattle, dairying and fruit-growing for a livelihood. Prices in most of these lines are substantially higher than in 1934.

On Par With 1934

On the whole, however, companies interviewed by The Financial Post expect a return somewhat similar to or a little lower than in 1934. Officials, however, are not discouraged. They feel that the western farmer is in definitely better shape this fall. While he still lacks cash, and particularly big sums of cash from his wheat crop, the agricultural foundation has improved. Mixed farming returns are up and the abundance of moisture now reported all across the Prairies points to the end of the cycle of dry years which have aggravated the whole farm situation during the depression.

This improvement, it is stated, will also soon be reflected in western towns and cities where the loan companies are also interested in real estate.

Debt Reduction

All western mortgage companies are vitally interested in debt legislation. In recent years there have been many schemes to relieve the debt burden of the agriculturist. Some of these plans have actually been competitive, and many of them have overlapped. The result has been a vast amount of work for the mortgage companies who have been continually besieged by applicants for debt reduction. Some debts have been reduced substantially only to have to be reopened in a few weeks and gone over a second time. This sort of thing has led to considerable confusion as well as interfering very materially with former channels of credit.

Administration of the scheme inaugurated by the Dominion Government last spring to make up to $90 millions available for farm loans is criticized by the mortgage companies. The latter point out to The Financial Post that while they are not opposed to debt reduction or government loaning as an emergency measure, they do seek for some uniformity in legislation of this kind and also some finality to it. So long as debt reduction schemes are to be continually devised and applied, so long, they say, will normal credit be hampered, and there will be little field for private investment of surplus funds. The criticism of the mortgage companies is more particularly aimed at the administration of much of this legislation. There is little criticism of the need or original intention of such legislation.

The Farm Loan Board, it is said, was devised to put new money into the farm loan field. There was no intention originally of competing with private companies. But the administrators of this Act apparently only considered making loans on the very choicest of securities and thus gave the private companies the option of taking second or third-rate credit risks or abandoning the field. Most of them in the last year or two, The Post was told, had decided on the latter course.

Depressed Valuations

Not only did these government mortgages apply to only the very best risks, but they were usually based on present-day depressed valuations. That is, a farm which might normally be worth $6,000, but at the present time could not be sold for more than $4,000, would get a loan based on the present level. This meant that these farms were carrying loans of far less than the amount offered a few years ago, so that this new government money instead of pouring capital into the farm loan field was actually restricting the potential loaning power of that field. Moreover, under the scheme, it was stated, there was no provision at all for releasing money to pay the unsecured creditors. As a result, most of the country storekeepers, country doctors and other local creditors throughout western Canada were still whistling for their money, and under settlements by the Farmers Creditors Arrangement Act some of these will have to whistle indefinitely.

One company official pointed out that if the government had really intended to relieve the debt situation in western Canada, it might have been much more lenient in its appraisal or might have guaranteed certain risks that private mortgage companies could not afford to touch normally, particularly under the present circumstances. In the operation of the Farmers Creditors' Arrangement Act, it was stated, certainly some provision should have been made for the unsecured creditors so that new money would actually pour into those districts which have been in debt for a very long time.

Western Loan Co's

While a very large proportion of the loans in western Canada have been made by Canadian companies operating nationally, earnings of such firms will naturally not be as affected by collections in the Prairie Provinces as those whose activities are confined to those provinces entirely. The accompanying summary, therefore, will apply most specifically to those companies which operate in western Canada exclusively.

Among the latter are the following: Equitable Trust Co.; Fidelity Trust Co.; Northern Trust Co.; Western Trust Co.; Empire Loan Co.; Home Investment & Savings Association; International Loan Co.; Northern Canadian Mortgage Co.; Western Homes Ltd.; British Canadian Trust Co.; Northern Trust Co.; Occidental Trust Co.; Okanagan Loan & Investment Trust; Western Trust Co.; Debenture Co. of Canada; Saskatchewan Loan & Investment.

Add Sad Results of 1929 Crash

Among the unfortunate results of the 1929 stock market crash, one of the worst has just come to light.

It is a plague of skunks in Maryland, and it is explained by Maryland State Game Warden E. L. LeCompte.

"When stocks crashed in 1929, fur prices were depressed. When fur prices dropped, skunks were trapped in fewer numbers.

"Since 1929 the skunks have multiplied considerably."

All of which may presage a coming boom in the fur markets of Maryland.

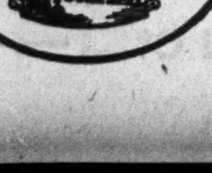
Desert and Forest

by L. M. Nesbitt

Mr. Nesbitt knew Abyssinia well; he went there first in 1928 and explored its great sun-smitten wastes and its dark jungles. He, with his companions, two Europeans and fifteen natives, ventured on to its crocodile-infested river and explored a range of active volcanoes in northern Danakil. All these adventures and a full account of the fears, the bitter struggles and their final triumph is set down in "Desert and Forest". $3.75

From all Booksellers

Nelson Nelson



John D. Gilmour

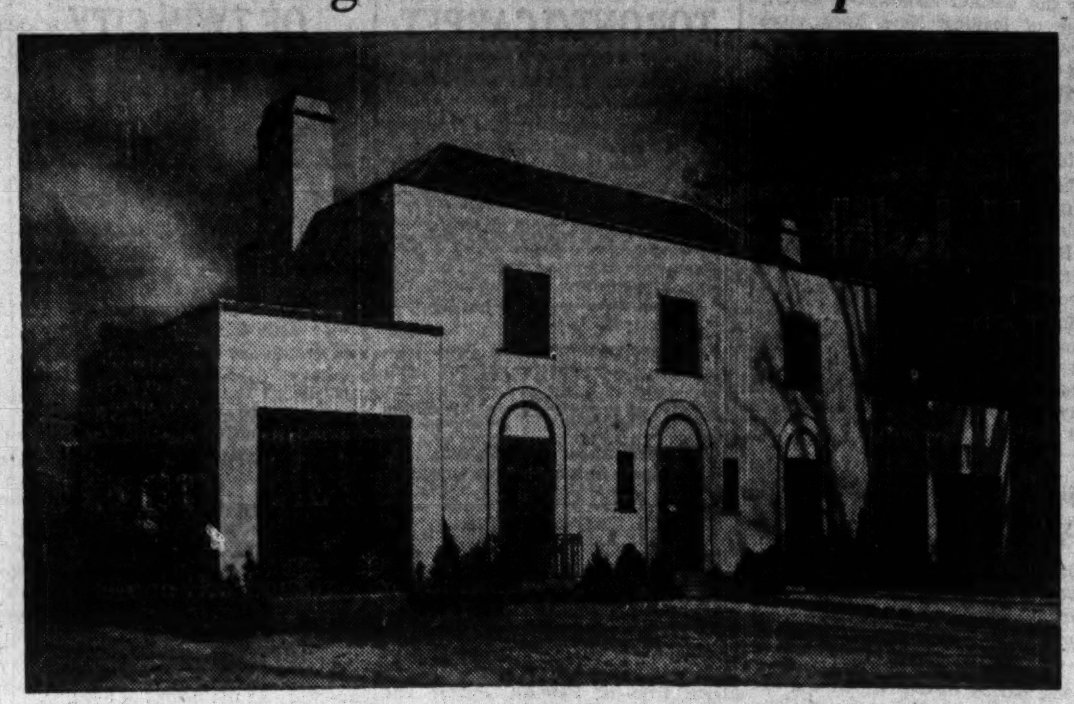
(B.Sc.A., B.Sc.F., Toronto)

CONSULTING
LOGGING ENGINEER
QUEBEC, P.Q.

Member Executive, Pacific Logging Congress; Member of Canadian Society Forest Engineers, Quebec Association of Forest Engineers, Senior Member Society of American Foresters.

Organization and management of large pulpwood-logging operations. Available in logging or timberland problems.

First Pigott House Now Complete



An actual photograph of the "ideal" Canadian home which has now been completed at Hamilton by Pigott Construction Co. as the first unit in an experiment which has created attention in all parts of Canada

The house is being completely decorated and furnished by the company and meanwhile another similar structure is being erected near by. Details of the house, which is unique in its construction and the complete manner in which it is insulated for summer and winter comfort, were given in The Post of Oct. 5.

False Radio Advertising

U. S. Survey Shows 10 Per Cent of Commercial Continuity "Possibly False or Misleading"

BY THOMAS C. THOMPSON

"Write us—Do it tonight—and we will send you our . . . ."

How many radio listeners comply with the request of the announcer, and forthwith dash off a letter praising the merits of "Sud's Soaps," or "Tiffin's Tea?"

Apparently, very few.

Enquiries among a group of representative radio listeners indicate that most people are not inclined to leave their dinner, bridge game, or newspaper to write a letter of appreciation. Although they may intend to do so later, most of them never "get around to it."

Thousands of people do write, however. Radio polls and other data show that to be the case. But whether the incentive is a prize contest, a free booklet, or something else, they write with only one purpose in mind.

To praise the product advertised.

In doing so, it is natural to attempt to surpass even the convincing announcer in discovering new merits of the product; a tendency which accounts for many of the advertising ideas that find their way into the ether on commercial programmes.

A Source of Material

Cut, polished, and "pepped up," these effusions then go to millions of listeners as bona fide advertising claims. If they are restricted to fact, all is well. If not, they go to form some of the 10 per cent of radio advertising which, the Federal Trade Commission of the United States claims has found "possibly false and misleading."

Canadian Listeners

The Federal Trade Commission began an examination of radio advertising in the United States a little over a year ago, after many years of study of newspaper and magazine advertising.

The commission has power to stop false advertising, but since commercial radio programmes originating in the U.S. are carried on air waves which know no international boundaries, the programmes also carry their message to radio set owners throughout Canada.

Canadians consequently are among those listening to the 10 per cent of commercial broadcast advertising that Washington authorities brand as "possibly false and misleading."

38,873 Scripts Misleading

Up to June 30 of this year, according to the Federal Trade Commission, 439,253 radio advertising continuities were received and examined.

Of these a preliminary review has been completed on 376,539, and the review resulted in no fewer than 38,873 continuities being set aside as "possibly false and misleading." Authorities will give further study to these with a view to possible action.

In Canada, control of radio broadcasting is also under federal direction through the Canadian Radio Commission.

Canadian Broadcasts

Broadcasts originating in Canada are restricted as to advertising, although there is no data available regarding the proportion that may be classified with the misleading 10 per cent from the U.S.

Restrictions here include the ban on stock price forecasts in financial news broadcasts from Ontario, as well as certain restrictions imposed by Ottawa authorities on radio advertising of patent medicines.

There are many other regulations aimed at protecting the Canadian radio listener, so far as Canadian broadcasts are concerned, but where misleading advertising is concerned, the difficulty lies in the fact that air waves are free to those listeners whose broadcasting sets are powerful enough to pick up foreign stations.

Owners of such radio sets are, of course, among those financially able to buy the products advertised by radio—including the 10 per cent of advertising classed as "possibly false and misleading."

Eye vs. Ear

But all listeners are subject to the universal law that enables the eye to retain an impression more clearly, and for a longer period than the ear.

They forget much of the 10 per cent "false advertising" by radio, as quickly as a proportionate part of the 90 per cent that is not distorted, and if they remember to "write for the booklet," it is perhaps because the impression is retained for the reason that they can get something for nothing.

Visual Advertising

Visual advertising in magazines and newspapers on the other hand not only must be accurate—as a matter of record—but through illustrations and typography, impresses its message upon the reader's eye and is available when dinner and the bridge game are over.

No publication can afford to carry false or misleading advertising. It is too readily available as a weapon which deluded buyers can use in their own defense. It is a two-edged sword, as radio continuity writers are discovering.

Strength to Strength

Since the opening of its first office in 1871, The Dominion Bank has forged steadily ahead, never spectacularly but always naturally and healthfully. Without recourse to absorptions or amalgamations but simply by linking prudence with enterprise, it has moved along from strength to strength, matching its own growth with the growth of Canada. 389

THE
DOMINION BANK
ESTABLISHED 1871

C. H. CARLISLE, President
DUDLEY DAWSON, General Manager

Capital Paid Up - - - - - - $7,000,000
Reserve Fund and Undivided Profits $7,540,000

Obituary

Charles E. Best, official of the Ford Motor Co., in Vancouver, and former executive of the company in London, Ont., Windsor, and Calgary, died in Vancouver at the age of 38.

Arthur S. Blackburn, president and managing director of the London Free Press Printing Co., died in London. He was born in that city in 1869.

G. W. Dawson, prominent for many years as an executive of the B.C. canning industry, and active in B.C. business circles for more than 50 years, is dead at the age of 83.

Dr. Alexander A. Forbes, pioneer prospector and physician of British Columbia, and one of the discoverers of the Britannia copper property, is dead in North Vancouver at the age of 85.

Hon. James Malcolm, minister of trade and commerce in the King government from 1925 to 1930, died in Kincardine. He was prominent in Canadian manufacturing circles, and he was largely responsible for creation of the National Research Council of Canada, and the revisions of the Canadian Grain Act. He was born in Kincardine in 1880.

Colonel Robert F. Massie, D.S.O., president and one of the founders of the Dominion Fire Insurance Co., and a director of the Asbestos Corp. Ltd. and the Metropolitan Casualty Insurance Co., died in Toronto, following an operation. He was in his 57th year. Col. Massie was for some years associated with the Canada Foundry Co. He had an outstanding war record as an artillery commander.

J. M. Woodman, who retired a year ago as general superintendent of the New Brunswick district of the C.P.R., died at Saint John, N.B. He was 69.

George Parslow, prominent Edmonton lumberman and head of the firm bearing his name, died in Edmonton. He was a native of Ontario, having been born in Grey County 66 years ago.

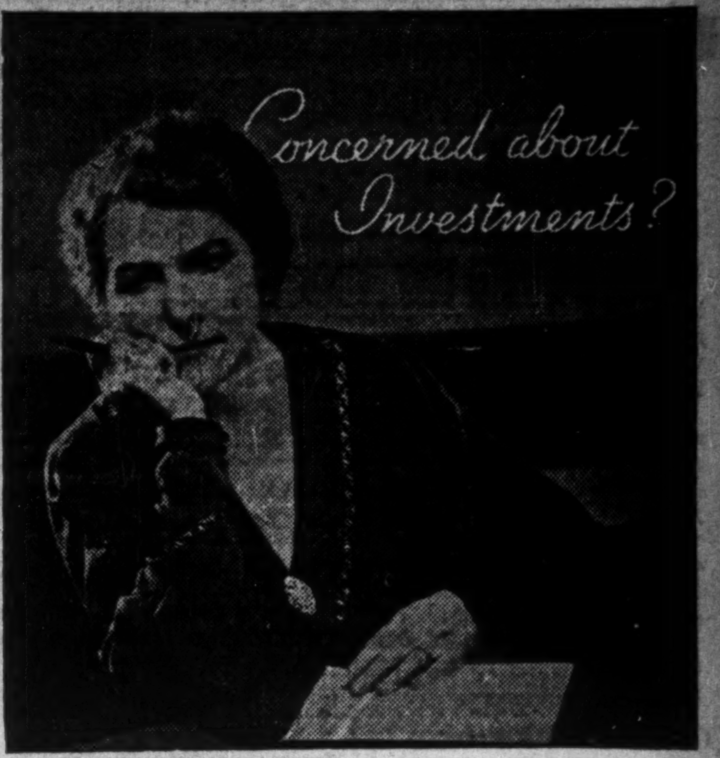
John Ross, for 35 years a director of the W. R. Brock Co., died suddenly in Toronto.

William G. Wright, president of Wright, McFadden, Griffiths and McIntosh Ltd., fire insurance adjusters, Toronto, and former insurance editor of "Saturday Night," is dead. He was born 68 years ago in Preston, Ont.

Dairy Corp. Sales Up But Problems Remain

Sales of subsidiaries of Dairy Corp. of Canada in the 12 months ended Sept. 30, 1935, increased about $250,000 over the preceding 12 months, according to J. A. Caulder, president and managing director. Expenses were decreased, so that net earnings were also gained, in spite of a small profit margin.

Problems connected with settlement of collateral in connection with the company's bank loans have not yet been settled. Hence, the report for the latest fiscal year has not appeared, and no date has been set for the annual meeting which ordinarily would have been held this year.


Concerned about Investments?

Money left in Trust provides income without worry

Crown Trust Company
EXECUTORS TRUSTEES
FINANCIAL AGENTS
393 St. James Street West - Montreal

Basic raw materials for many Canadian industries.

COTTON FABRICS AND YARNS

DOMINION TEXTILE COMPANY
LIMITED
MONTREAL TORONTO HAMILTON WINNIPEG VANCOUVER

1885-1935

THE EVENING JOURNAL
THE OTTAWA EVENING JOURNAL
ITALIANS CONTROL OGADEN REGION OF ETHIOPIA
CORNWALL MAN WINS $30,000 ON MANCHESTER RACE
BEST VALUE

Half a Century

Holding Public Confidence in Trust

"NO DOUBT the next fifty years will witness material developments . . . . . . this will not lessen, in the least, the supreme importance throughout the future of the spiritual and moral considerations in the common, every day relations of human beings.

"With these latter relations, a newspaper has enormously to do; and as The Journal moves onward towards its next fifty years, our hope is that, remembering the ordinary lives and the homely things, the paper will continue trying to play a good part for the common crowd."

—P. D. ROSS

In these words is expressed a great personality and an enduring principle. A personality and a principle that for half a century have won for The Ottawa Journal a newspaper's supreme reward — the confidence of the public.

— A confidence that has been cherished as a trust — inviolable. — A confidence that has afforded a more sensitive response to the pulse-beats of its community — the Capital city of the Dominion.

Through informed criticism, fearless service to the public, integrity and fair dealing, The Journal has become one of Canada's great newspapers — more than a newspaper, an institution and the personality in print of its founder, P. D. Ross.

Because of the prestige and good-will it enjoys among substantial people with a desire for the better things in life, advertisers have found The Journal a most profitable medium for their messages in the Ottawa Market.

The Ottawa Journal

CELEBRATING ITS GOLDEN JUBILEE

Total Net Paid Circulation for November, 1935 — 35,510
Branch Advertising Offices: Toronto and Montreal — J. B. RATHBONE, Manager

Investment Trends —

Stock Prices Discounting 1936

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Basic Improvement Belittles Risks

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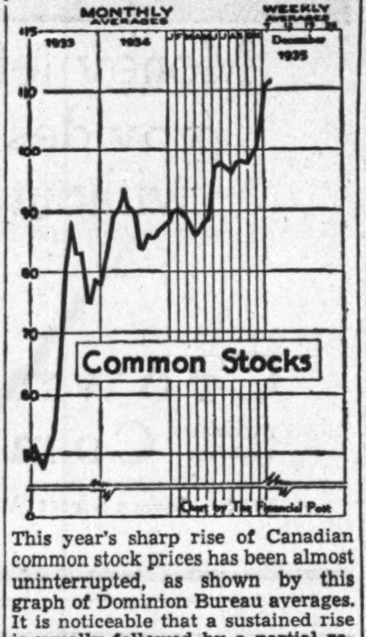
Forecasts Reflect Optimism

Stock market prices have risen to levels at which, in many instances, they discount fairly liberally the probable improvement of business in 1936. Hence, it is considered possible that while business continues to recover there may be near-term hesitation in the rise of stock prices.

If favorable business conditions continue to build up optimism on the outlook, greater heights for stock prices may be reached next year. The growth of funds available for investment provides a steady undercurrent of demand for present limited supplies of securities.

Students of technical phases of stock markets see dangers of temporary recessions. Even if stocks rise materially from present levels, their belief is that a substantial temporary decline will be in order.

Christmas volume of eastern Canada retailers has been affected adversely by mild weather. Any cold snap is expected to boost sales well above 1935 levels.



This year's sharp rise of Canadian common stock prices has been almost uninterrupted, as shown by this graph of Dominion Bureau averages. It is noticeable that a sustained rise is usually followed by a partial relinquishing of gains. Indices appear on this page.

Opinions on Outlook

THE short-term outlook for stock prices, in the opinion of one professional market analyst, calls for retention of part of common stock funds in cash until maintenance of recent high levels is assured. Pronounced weakness in stock prices, it is suggested, might well warrant purchase of common shares, after examination of the circumstances.

A broad rise of stocks starting now would have elements threatening a subsequent slump because price recessions in the past eight months have been so small and so few. Three out of four leading American investment advisory services advise caution in buying stocks at present levels. All feel that the eventual long-term trend is upward. One recommends acceptance of profits on the strength of the rise of the past eight months. Two advise retention of stocks, but exercise of extreme caution in selecting new investments, pending a possible set-back of prices. The fourth says prospects are strongly favorable and thinks that sales of stocks would be ill-advised despite probable sharp, but temporary, recessions of prices.

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Prices at Peaks

BOTH the Toronto and Montreal Stock Exchange averages have just touched new peaks for 1935. Toronto industrials are around 130, Montreal close to 69. In New York, the Dow-Jones average for railway shares is in new high ground around 42. The average for New York industrials is below the year's high of 148.5, but at 145 is within hailing distance of it.

There has been much solid investment buying of stocks in recent months. There is no indication of distress liquidation because floating supplies are small. Investment purchasers, however, become more hesitant to buy as prices rise. Hence the higher the peaks attained by the averages, the less eager is the investment buying.

Speculative buying, on the other hand, may become over-eager as prices rise. This can only go on for a brief period before causing some liquidation. Such a development could occur, however, without serious disturbance to the averages. Recessions in one group of stocks may be offset by advances in another.

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Borrowings on Stocks

FOR the first time, the Toronto Stock Exchange has released official figures on member borrowings on Canadian stocks. At the end of November, the total was $21.4 millions. Without comparisons, it is difficult to interpret this figure. Those who are familiar with stock exchange procedure, however, believe the total is a modest one, and that it could expand materially without being considered indicative of dangerous speculation.

At $18.1 millions on Nov. 30, borrowings of members of the Montreal Stock Exchange were up materially from the figure of $16.8 millions for October. There does not appear to be any excessive expansion, however, because the November, 1934, total was $19.7 millions.

In New York, brokers' loans at $919 millions are below the comparable 1934 total of $969 millions.

The rise of stocks has not been financed by borrowing. There is ground for belief, however, that inflationary as well as investment influences have been at work. This may continue with consequent strength to stocks over the long term.

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Credit, Prices, Commodities

CESSATION of the 1929-32 fall of commodity prices marks the commencement of industrial recovery and the beginning of the rise of security prices. On this ground, the belief is held widely in informed sources that further rises of commodities would boost things even more. Consequently, the recent comment of the Westminster Bank Review on the credit position in Britain and the United States is pertinent:

> "Bases of very considerable expansions of credit have been created, and if commercial confidence can rid itself of the economic and political fears that still cramp it, so that more use may be made of the credit which is available, prices are likely to be materially affected. Hence any disturbance of the relative stability of prices which we have enjoyed for four years is much more likely to be in the nature of a rise than a fall"

Depending on the level of foreign exchange rates, Canadian commodities would be expected to rise at least as much as British prices. Meanwhile, it is now fairly definitely established that the U.S. government is not going to take early measures to restrict Uncle Sam's huge inflationary credit base.

One reason why private borrowing has not been heavy to finance business expansion and rising stock market prices is that increased demand deposits have made it unnecessary. In the United States, demand deposits have risen $3.1 billions, or nearly 55 per cent in two years. In Canada, the rise is $104.3 millions, or about 20 per cent. This expansion of deposits is attributed to easy money policies of the governments. Thus, credit policy has expanded the cash necessary to finance stock markets and business. This is a sort of inflation without bank loans. Its potentialities have hardly been tapped.

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Security Values in 1936

COMMENTING on the average value of all listed shares on the New York Stock Exchange, Col. Leonard P. Ayres, Cleveland banker-economist, thinks the average price of stocks will be higher in 1936 than it has been this year, but not more than 10 per cent above present levels. This would mean a considerable rise for many better-grade stocks, because the average for all New York shares is dragged down by the weaker issues. Naturally, a rise of leading New York stocks would be expected to be followed by Canadian shares.

Bond prices, on the average, will not differ from the 1935 average by more than five per cent, in the opinion of Col. Ayres. He does not say whether he expects a rise or fall, but his forecast indicates an expectation of reasonable stability.

His forecasts of economic improvement, on balance, indicate an expectation that business volume should increase in 1936, but not more than 12 per cent. In contrast, he predicts the greatest increase in the residential building field where, he says, contracts will rise more than 50 per cent.

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Investing in Building

A CONFIRMATION of expectations of betterment in building, construction, steel and other capital goods industries is given in the current letter of The Canadian Bank of Commerce, which states:

> "We may conclude that after a long period of depression the investment goods industries of Canada have definitely moved to a higher level of activity, and that, apart from seasonal fluctuations which are more pronounced here than in most branches of industry, this level shows promise of being well maintained."

Another sidelight on investment in building, machinery and equipment may be seen in the October report of Canadian Investment Fund. It has nearly 17 per cent of its funds in "capital goods" companies, such as Building Products, Canadian Bronze, Dominion Bridge, Page-Hersey and Steel of Canada.

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British Funds Shy

"It is probable that there will be increasing opportunities for investment in the colonies and Dominions," says a prominent firm of British stock brokers. It mentions promising fields in Australia and South Africa, particularly in mining. Of Canada, not a word is said.

The reason, of course, is that repudiatory acts in Canada have frightened British money. A London broker hesitates to mention Canada to his clients as a field of investment. So we have lost the stimulating effect of the former flow of British funds to this country. It will be a task to repair this damage to credit in London, but almost any effort to this end would pay Canadian industry and investment.

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Silver Shaky

THIS week's disturbance of the price of silver was caused chiefly by absence of buying abroad by the U. S. government. Uncle Sam is subsidizing world silver producers and owners of bullion by paying a high price for the metal.

The price of silver may continue to produce minor disturbances in prices of securities from time to time. There appears to be basic economic justification for the price of silver to be 20 to 50 per cent lower than at present.

Record Newsprint Production in Sight

From Our Own Correspondent

MONTREAL. — Preliminary figures indicate that newsprint paper production in Canada during the past month touched a new high monthly record. The previous high mark was established last October, when 266,515 tons of paper were produced.

Production in Canada this year has been consistently ahead of the returns for 1934. For the first ten months this year Canadian mills turned out about six per cent more than in the previous year.

It is now estimated that for the full year Canada will produce nearly 2.8 million tons of paper. This is in contrast with approximately 2.6 million tons in 1934 and the all-time record of slightly better than 2.7 million tons set up in 1929.

Investment Notes

Buyers and Sellers

Routine reports of changes in stock holdings of company officials are now made monthly to the U. S. Securities & Exchange Commission. The reports of changes in October contain something of interest to Canadian investors, as follows:

Canada Dry Ginger Ale—James M. Mathes, vice-president, increased his holdings 3,400 shares, bringing his total to 4,400 shares. R. W. Moore, the new president, increased his holdings 500 shares to a total of 1,000. Wm. J. Williams, secretary, acquired 500 shares, which is his total holding.

Canadian Pacific Railway — Wm. M. Neal, vice-president for western lines, bought 25 shares of the ordinary stock in September and another 25 shares in October, bringing his total holdings to 210 shares.

International Nickel — John C. Nicholls, assistant to the president, decreased his holdings 1,300 shares to a total of 43,734. Grant B. Shipley, director, decreased his holdings 1,000 shares to a total of 1,552.

Hiram Walker-G. & W.—Leigh M. McCarthy, director, increased his holdings of common stock by 100 shares, bringing the total to 700. He also holds 200 preferred.

Distillers Corp.-Seagrams—At Oct. 12, Brintcam Investments Ltd., Mercantile Holdings Ltd., and General United Securities Co. Inc. held 1,025,661 shares for the Bronfman family, including Sam Bronfman, president of Distillers-Seagrams and Allan Bronfman, vice-president. This total holding is nearly 59 per cent of the 1,742,645 shares outstanding. Salaries paid to the management for 1934 included $50,000 to Sam Bronfman, $25,000 to Allan Bronfman and $30,000 to W. B. Cleland, who is vice-president of Joseph E. Seagram & Sons and a director of Distillers-Seagrams.

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Simpsons Christmas

It is reported unofficially that mild weather has checked Christmas sales of Simpsons Ltd. from gaining as much as might have been expected in a year of general improvement. Volume is so large in the final pre-Christmas week, however, that it is impossible to forecast final results yet. Mild weather in the Toronto area accounts for the situation.

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Value of Pete

One advocate of reduction of duty on gasoline also argued before the Tariff Board at Ottawa that Imperial Oil, Ltd., should show its holdings of International Petroleum stock at the market value.

In its last balance sheet Imperial Oil showed its investment in shares of all subsidiaries at $40.7 millions, presumably the amount they cost. At market value, its holdings of about 8.7 million shares of International Petroleum would be more than $307.9 millions, or more than seven times as much.

Net worth of International Petroleum shares as shown on its own balance sheet, recently published for the first time, is $11.95 a share against a market value of about $35 a share. The disparity therefore runs: cost $5 a share; book value as per International Petroleum balance sheet, $12; value given by the market, $35.

Balance sheets never do take account of market valuations of shares. Accountants would consider it an unsound practice. But investors should give due weight to the valuations given by the books even if they must pay an entirely different figure on the stock exchange due to market appraisal of intangible values.

Significant Investors' Index Numbers

1926 = 100

	Iron and steel	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied products	Beverages	Total industrials	Total utilities	Total co's.
No. of Securities	15	6	4	4	10	19	8	87	20	112
1929-34:*										
High	383.8	118.2	267.4	416.8	110.1	193.8	241.9	311.0	163.6	235.4
Low		36.8	1.4	34.9	78.3	68.5	27.3	44.0	30.5	38.6
Monthly Figures, 1935:										
January	129.4	14.0	71.5	181.5	75.8	134.2	106.8	129.7	50.4	90.5
February	126.4	13.4	67.4	197.7	75.6	131.3	108.1	128.8	49.4	89.6
March	117.0	11.6	56.0	176.0	74.1	126.5	101.6	125.6	45.1	86.1
April	119.4	11.1	56.9	178.6	73.1	125.1	99.6	130.8	43.8	88.5
May	121.9	10.8	59.9	211.7	70.3	127.8	102.4	144.4	44.4	96.8
June	118.6	10.5	58.4	217.9	67.2	127.0	104.7	145.2	45.0	97.1
July	122.2	10.6	57.4	210.6	66.7	128.5	116.7	143.8	44.7	95.5
August	122.1	12.0	59.3	210.0	65.5	130.1	122.9	146.1	47.7	98.2
September	118.7	12.4	61.2	206.6	61.8	128.7	126.5	147.1	46.3	97.5
October	123.0	12.6	60.9	215.1	63.5	134.4	133.2	152.9	45.6	100.0
November	127.8	14.6	66.9	228.7	69.0	145.7	157.3	170.3	50.9	110.4
Weekly Figures, 1935:										
Dec. 5	124.6	15.0	75.4	215.0	69.4	147.9	161.7	175.6	50.9	111.4

*High and low of years from 1929 to 1934 inclusive are based on weekly figures. Compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	20 Misc. Mines
Dec. 10	127.74	120.47	125.67
Dec. 9	129.77	119.92	129.58
Dec. 7	129.85	117.72	127.37
Dec. 6	129.73	116.18	122.55
Dec. 5	128.99	115.22	119.53
Dec. 4	128.76	114.57	116.11
Month ago	123.28	108.29	102.89
Year ago	99.30	110.34	80.01
High, 1935	129.85	123.68	130.79
Low, 1935	97.90	96.70	80.83

Montreal Averages

	10 Util.	20 Indus.	30 Comb'd
Dec. 10	65.1	68.1	67.1
Dec. 9	65.4	68.8	67.7
Dec. 7	65.5	68.8	67.7
Dec. 6	66.5	68.2	67.6
Dec. 5	67.0	67.2	67.1
Dec. 4	67.1	67.0	67.1
Month ago	67.5	63.8	65.1
Year ago	58.7	57.3	57.8
High, 1935	69.6	68.8	67.7
Low, 1935	56.1	54.8	56.1

MAY REORGANIZE TORONTO CARPET CAPITAL STOCK

Lawyers Consult Ottawa on Plan to Cut Rate on Preferred

The Toronto Carpet Manufacturing Co. has been considering a plan of reorganization of capital, but the scheme has not progressed much beyond the investigation stage, The Financial Post learns.

The proposal that has been considered is a reduction of the dividend rate of eight per cent on the $382,000 of preferred stock on which dividends were deferred in January, 1933. Then, under the proposal, preferred and common shares would be exchanged for new stock, share for share.

The present six per cent first mortgage bond issue, which had been reduced to $622,000 as at last March 31, would not be disturbed by the proposal. It was originally $1,000,000.

Ask Ottawa's Advice

Robert Fennell, of the Toronto legal firm of Fennell, Porter and Davis, on Nov. 19 last wrote to the Secretary of State, Ottawa, outlining the reorganization proposal. He stated that the company was considering a reorganization under which the company's assets would be sold to a new company with similar capitalization. Details and privileges of preferred shares, he said, would be "more fully set out" and there would be a lower dividend rate.

He asked the advice of the Department of State regarding sale of the assets so as to provide sufficient new preferred and common shares to give present holders one new share for each present share held.

Suggests Use of Act

W. P. J. O'Meara, solicitor of the department replied to Mr. Fennell, suggesting that the company would be best advised to reorganize under section 122 of the Dominion Companies Act. This section provides that a modification of a company's capitalization can be made, with the consent of shareholders, through provincial courts. Holders of three-quarters of the total of each class of stock present at any meeting must approve the plan, after which the judge may sanction it.

If this suggestion were adopted, it would be necessary to call a meeting or meetings of preferred and common shareholders to consider the reorganization. Presumably some provision would also be considered to deal with arrears of dividends on preferred shares, although there is no information available on this point.

The company's income statement and balance sheet has been issued regularly to shareholders, but has not been circulated widely. It is understood that the company's earnings showed a rather sharp decline through the depression period, but that in the past two years profits have recovered A new statement is expected to appear in January.

NO MATURITY OF TWIN CITY BEFORE 1947

Notes, Certificates and St. Paul Bonds Refinanced Acceptably

Twin City Rapid Transit Co. has made arrangements whereby it will not have to meet any maturities of funded debt until 1947.

Under the indenture securing the 6 per cent secured dividend notes and fractional scrip certificates due January 15, 1937, these were convertible at the option of the company into first lien and refunding series B bonds when the earnings of the company reached a specified amount.

Qualify for Conversion

By buying $200,000 of these securities by tender at a price under 80, the company is able to qualify for this conversion. The remaining $680,000 of the securities will therefore be converted into a corresponding amount of Series B 5½ per cent bonds secured under the same indenture as the Series A 5½'s.

The dividend notes have been called for redemption on January 15, 1936, at the Northwestern National Bank & Trust Co., Minneapolis, when the new bonds will be available.

Bonds Extended

Of $3.7 millions St. Paul City Railway Co. cable consolidated bonds due January 15, 1937, the company holds $800,000. Large holders of the remaining bonds have agreed to accept 50 per cent in cash and to extend the other 50 per cent for 10 years. The extended bonds will bear interest at 4½ per cent. An annual sinking fund of $150,000 is designed to retire the issue by maturity.

Canadian Industries Ltd. Pays $6 a Share in 1935

From Our Own Correspondent

MONTREAL. — Payment of the regular $1 a share and an extra of $1.25 a share has been declared on the common stock of Canadian Industries Ltd. These disbursements will bring total payments in respect to 1935 to $6 a share. This is the same as paid in 1934, which established a new high for any year since capital reorganization and shares split-up in 1927.

The highest distribution previous to 1934 was 1929, when the total of regular and extra dividends was $5.50 a share.

Province of New Brunswick

New Brunswick is the largest in area of the Maritime Provinces of Canada. Principal economic activities are farming and forestry.

More than 63% of the proceeds of this issue will be used to retire maturing bonds and the balance for road construction.

New Issue
Province of New Brunswick
3¼% Sinking Fund Debentures
Due December 16th, 1945
Denominations: $1,000 and $500
Price: 99.75 and interest, to yield 3.28%

Orders may be telephoned or telegraphed at our expense.

Wood, Gundy & Company Limited
Toronto
Montreal
Winnipeg
London, Eng.
36 King Street West
Toronto
Telephone: Elgin 4321
Ottawa
Hamilton
Vancouver
London, Ont.

ROBINSON CONE EARNS 35 CENTS PER SHARE

First Report Since 1928 Shows Strong Working Capital

In its first financial statement issued since 1928, Robinson Consolidated Cone Co. reports earnings of 35 cents a share for the year ended Sept. 30, 1935. Net profit amounted to $19,272.

A strong working capital position is shown in the balance sheet, current assets exceeding current liabilities by $313,884. Current assets total $333,245 and current liabilities $15,825. Cash on hand totals $82,474, and Dominion of Canada bonds $148,708. Other securities having a market value of $97,470 are shown at a cost of $76,314.

Fixed assets are carried at $240,350 after deduction of depreciation reserves of $147,961. Goodwill is shown at $408,094, distributable surplus at $131,270 and earned surplus at $6,409.

Robinson Consolidated Cone manufactures the bulk of ice cream cones and sandwich wafers used in Canada. Its output also includes soda straws, cups and cartons for packing various products. The main plant is at Hamilton, Ont., and a branch is operated at Montreal.

Shawinigan Chemicals Changes Capitalization

From Our Own Correspondent

MONTREAL.—Shawinigan Chemicals Ltd., subsidiary of Shawinigan Water and Power Co. has taken out supplementary letters patent covering changes in capitalization. At present the company has a capital of two million shares no par value, which will be reduced to 400,000 shares by cancellation of 900,000 unissued shares; reducing the balance from 1,100,000 shares to 400,000 shares; and increasing the capital stock from 400,000 shares common stock, to 100,000 shares of 5 per cent non-cumulative redeemable preferred stock of a par value of $100 each, and 400,000 shares of common stock without par value.

As a result of these changes, the new capital set-up of Shawinigan Chemicals will comprise the 100,000 shares of 5 per cent preferred stock and 400,000 shares of no par value common stock.

Canada Paper Co. Plans Building Dam

From Our Own Correspondent

MONTREAL.—Canada Paper Co., subsidiary of Howard Smith Paper Mills, has filed plan with the Quebec Government for the construction of a concrete dam on the St. Francis River at Windsor, P.Q.

CANADA
OUR CREDIT ABROAD—
GOLD

THE mining industry is a primary factor in maintaining Canada's credit abroad. Our metal exports have become even more important to our foreign trade than the wheat crop. In 1934 they reached the imposing total of $167,547,752. And $95,616,540, or 57% of this, was gold.

The thirty producing gold mines in Canada in 1931 have grown to more than a hundred, and others are coming into production. These mines are annually setting new records in the total value of gold produced and in the amount of dividends paid.

The element of risk is unavoidable while a mine is in the making. Investors who are ready to accept this risk have, however, an opportunity to assist in the further upbuilding of this great industry, and to share in its prosperity.

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NESBITT, THOMSON
AND COMPANY LIMITED
355 St. James Street West, Montreal
Branches in all the principal cities of Canada

EATON'S asks— What Type is She?
MODERN
EXOTIC
GAY
LUXURIOUS

IF SHE'S "MODERN" GIVE HER:
1. French sheer linen hankie, hand blocked with bright dots. Others striped. $1.00. Main Floor, Centre.
2. Imported brown alligator bag, with zipper top. $12.50. Others $8.50 to $35.00. Main Floor, Centre.
3. Tiny perfume container of 10 karat gold, very finely engine turned. $30.00. Main Floor, Yonge.
4. Real silk satin lounging pyjamas — maroon or turquoise with black. From group of imports—sizes 14 to 18. $19.75. Import Lingerie Shop, Third Floor, Queen.
5. French striped lame scarf—blues, reds, greens, brown or "silvery" black. $7.95. Main Floor, Centre
6. French all wool cardigan—pullover. Green, navy, red. Sizes 32 to 36 in group. $9.95. Fourth Floor, Centre.
7. Stunning heavy mesh belt in bright gold coloured metal. $3.50. Main Floor, Centre.

IF SHE'S "EXOTIC" GIVE HER:
8. "Heure Intime"—haunting, mysterious perfume from Vigny, France. $6.50. Main Floor, James.
9. Gorgeous black antelope bag with white galalith beads in plaque-like relief. $25.00. Main Floor, Centre.
10. Magnificent ring with large square emerald and two triangular diamonds set in platinum. $3,000.00.
11. Elegance of design in clip with 46 small diamonds, 2 fancy diamonds, and 10 baguettes, set in platinum. $875.00. 10, 11—Jewel Shop, Main Floor, Yonge.
12. Dramatic imported crepe (rayon) negligee—white and black, navy and rose. $25.00. Fourth Floor, Centre.
13. Trailing French flowers—white, wisteria, tropic orange, wine, black. $7.00.
14. French sequin jacket, brilliant in red. Individual model, size 34. $39.50. 13, 14—Main Floor, Centre.
15. French mules—black, pink, blue, with gold kid trim. Sizes 4 to 7. $7.95. Import Lingerie Shop, Third Floor, Queen

IF SHE'S "GAY" GIVE HER:
16. French hankie—an adorable wisp of chiffon in pastels with gold-coloured flecks, dots or stripes. $1.25. Main Floor, Centre.
17. French tearose real silk crepe bed jacket, "ribboned" with lace. $14.75. Import Lingerie Shop, Third Floor, Queen.
18. Frivolous French flower (imitation) in light-hearted shades of orange and yellow, wine and pink, maize and brown. $3.50. Main Floor, Centre.
19. Jacket like Ginger Rogers wore in "Top Hat." Brown, green or black velvet (rayon backed). Sizes 16 to 20. $7.95. Main Floor, Centre.
20. Juliette cap of tiny pearls (imitation) —all the vogue to capture and hold impertinent curls in the evening. $3.95. Main Floor, Yonge.
21. Black antelope vanity bag for afternoons—beautifully fitted. $18.50. Main Floor, Centre.

IF SHE'S "LUXURIOUS" GIVE HER:
22. Beautiful Petit Point cigarette case and vanity case combined — exquisite design on creamy background. $15.00.
23. Chinese hand embroidered evening bag —brilliantly rich in colour. $22.50. 22, 23—Handbags, Main Floor, Centre.
24. Suede "12-button" gloves — black, brown, eggshell, white. Sizes 6 to 7½. $4.85. Main Floor, Yonge
25. Splendour in silver fox cape—cleverly designed in "cross" stripes—$250.00. Silver fox scarfs—$125.00. Fourth Floor, James.
26. Sterling Silver Dresser set—in green real leather case for travelling. Brush, comb, mirror, clothes brush. $85.00. Main Floor, Yonge
27. "Projects"—Worth's new perfume from France—$2.75, $4.50, $10.00. Main Floor, James.
28. Gloriously luxurious—platinum bracelet with 157 round and 9 baguette diamonds in platinum setting. $1,250.00. Jewel Shop, Main Floor, Yonge

Phone AD. 5011 or AD. 5511

T. EATON Co LIMITED

Bond Markets

Ottawa Conference Momentous

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Hydro Repudiation Bitter Pill

• • • •

Gilt-edged Issues Near Top

The major part of the rise of government bonds in Canada appears to have been completed, although there may be minor advances. Profits may still be possible in western provincial issues, especially if the loan council plan becomes effective. It may mean a national guarantee of bonds of some provinces, which would tend to raise quotations at least for some of the low-coupon, discount bonds.

Power bonds affected by the Hydro contract cancellation naturally weakened in the past week. In several issues concerned, the possibility of early default is reflected in low quotations.

The Hydro situation has depressed the whole Canadian bond market, including gilt-edged issues.

Prospect for corporation bonds in 1936 appears to be for upward adjustment of prices of issues that have lagged in recovery; an adjustment to the low level of interest rates on government bonds.

Hydro Bombshell

BONDS of the power companies concerned in the Ontario Hydro contract cancellation had been enjoying a pretty rise just prior to the proclamation of the repudiation statute. The rise was based on reports that a settlement of the contract dispute was likely to be arranged. And so it was, but Ontario did the settling in a startling manner.

The concessions proposed by the companies were far less than sufficient to satisfy Ontario authorities. Nevertheless, it is still possible that new contracts will be negotiated. This subject and the effects of repudiation on the individual companies are discussed elsewhere in this issue.

Comparative prices of power bonds most seriously affected, show that on Dec. 6, repudiation day, most of the issues were strong:

Closing Bid Prices

Issues	Dec. 9	Dec. 6	Dec. 2
Beauh's 5% '73	33	36½	34½
Gatineau 6% '41	75½	78½	75½
Maclaren-Q. 5½% '61	68½	74½	70½

* * *

Market Shaken

QUOTATIONS for government bonds have been disturbed, partly by the Hydro situation, partly by announcement of a proposal for debt refunding by Alberta. As a result, the issues of $1,820,000 of Ottawa bonds and $2,750,000 of New Brunswick bonds were slowed somewhat. The sale of the Ottawa issues, however, is reported to be satisfactory. All short maturities have been marketed, and large blocks of longer term maturities have been sold. The New Brunswick 3¼'s are being placed gradually, it is understood.

All told, the gilt-edged market held up well under unusually disturbing conditions, as indicated below:

The Financial Post Average Yield and Price for Seven High Grade Bonds

1935	Yield %	Price $	1934	Yield %	Price $
Dec. 10	3.631	111.30	Dec. 10	3.506	113.56
Dec. 9	3.633	111.26	Dec. 8	3.530	113.30
Dec. 7	3.627	111.36	Dec. 7	3.551	113.06
Dec. 6	3.603	111.61	Dec. 6	3.554	113.01
Dec. 5	3.603	111.61	Dec. 5	3.557	113.00
Dec. 4	3.603	111.61	Dec. 4	3.604	112.46
Dec. 3	3.603	111.61	Dec. 3	3.621	112.27
Dec. 2	3.604	111.59	Dec. 1	3.621	112.27
Year's	3.367	114.97	Year's	3.373	115.00
Range	4.097	106.57	Range	4.517	102.54

* * *

Alberta, Conference, Refunding

TWO major developments in government finance promise to work important changes in bonds over the next year or two. Premier William Aberhart sent a letter to numerous bond dealers seeking their reaction to refinancing provincial bonds at reduced interest rates. And Canada's 10 premiers assembled at Ottawa to confer on major problems of government administration and finance.

Mr. Aberhart's letter appears to have been inept. Apparently he did not realize that the Dominion is working on a rational plan to form a loan council to assist in provincial funding operations, as has been stated in The Financial Post. Nor did the Alberta authorities endeavor to negotiate privately before resorting to H. M. Post Office. The net result has been to knock Alberta bonds down as much as four points; the province's 6's, for instance, were only 95 bid this week.

The premiers' conference appears likely to adopt some scheme to organize a loan council, as reported on page 1. The question of importance to holders of provincial bonds is what reduction in coupon rates, if any, is likely to be sought under such a scheme. If rates on western provincial bonds were reduced not more than 25 per cent by such a scheme, prices of some of the issues, such as Albertas, might improve. It may take months, however, before definite proposals are arranged.

Bondholders are not all warm to any such refunding scheme. There are many, however, who would rest easier if their securities were Dominion-guaranteed and under loan council supervision.

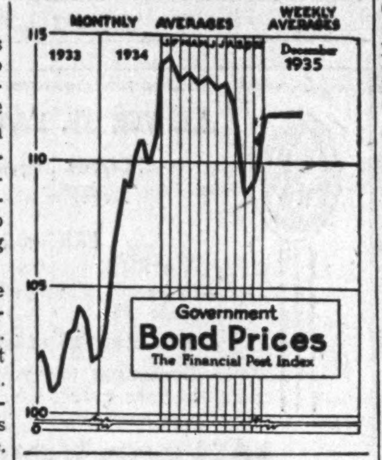
* * *

Inflation and Bonds

THERE is a popular supposition that inflationary influences should tend to reduce the price of bonds. With inflationary influences expanding credit structures, bonds have been rising. In fact, they have been rising largely on account of credit inflation.

Inflation of credit under modern conditions is actually carried out by putting money into bond markets. This raises prices and reduced interest yields. Banks whose tills are loaded with cash are impelled to buy bonds even at high prices, to obtain a return on their money. Also, despite fears of inflation, people are ready to buy bonds because they supply liquidity and yield more than many stocks. So the inflationary influence sustains bond prices.

Eventually, it is not improbable that active demand for money may bring some decline of bond prices.



Securities Holding Pays 50c on Preferred Jan. 2

An interim dividend of 50 cents a share has been declared on the preference stock of Securities Holding Company, payable Jan. 2, 1936, to shareholders of record Dec. 17, 1935. The last previous payment on the stock was 50 cents a share on July 2, 1935.

Dividends paid on the preferred shares totalled 75 cents a share in 1935, compared with 50 cents a share in 1934.

The initial payment of 50 cents a share in 1936 is an increase over the initial payment of 25 cents a share in 1935.

The six per cent preferred stock has a par value of $25 a share, calling for cumulative payments of $1.50 a share annually. Increased income from the company's investments is responsible for the higher level of payments.

Shawinigan Falls Bonds Offered at Par and 101

From Our Own Correspondent

MONTREAL.—L. G. Beaubien & Co. and Ernest Savard Ltée., are making a current offering of $234,000 City of Shawinigan Falls 4 per cent non-callable bonds, dated November 1, 1935, and maturing annually from November 1, 1936, to 1965.

The bonds maturing 1936-42 have already been sold. Offering price for maturities of 1943-55 is 101 and accrued interest, while later maturities are offered at par.

McD. and C. Holdings Declares 5 p.c. Payment

From Our Own Correspondent

MONTREAL. — Directors of the McDougall and Cowan Holdings Ltd. have authorized a further capital payment of 5 per cent on account of its outstanding certificate of indebtedness. Payment will be made on December 31, to holders of record December 10.

Lethbridge Buys Bonds at 5.5% P.C.

Lethbridge, Alta., has been buying its own bonds on an approximate 5½ per cent basis for sinking fund purposes, The Financial Post is informed.

From a reliable source in the western city, it is stated that investors in Lethbridge bonds who wish to dispose of their holdings may be able to do so by sale to the sinking fund. Banks and investment firms will negotiate sale of bonds to the city on a commission basis.

Prices paid by the sinking fund vary in accordance with maturity dates and coupon rates on the bonds, but generally buying is stated to have been on a 5½ per cent basis.

Bond Tenders

New Brunswick

Province of New Brunswick has sold $2,750,000 of ten year 3¼ per cent sinking fund debentures at 98.57 to a syndicate composed of Dominion Securities Corp., Wood, Gundy & Co., A. E. Ames & Co., Royal Bank and Eastern Securities Co. There was one other bid submitted by a syndicate headed by the Bank of Nova Scotia, which offered 98.34. The cost to the province will be 3.42 per cent. Part of the proceeds will be applied to refunding an issue of $1,750,000 due Jan. 1, 1936, and the remainder for hard surfacing roads.

Guelph

City of Guelph has sold $124,000 of four per cent bonds maturing Aug. 1, 1945, to R. A. Daly & Co., Toronto, at 100.08.

Oxford County

The County of Oxford has sold $46,000 of 2½ per cent debentures, maturing in two installments to J. L. Graham & Co., at a price of 99.647. This represents a cost basis of 2.69 per cent. A total of $22,716 mature Dec. 16, 1936, and $22,284 on Dec. 16, 1937.

Shawinigan Falls

City of Shawinigan Falls has sold $221,000 of four per cent debentures maturing serially 1936 to 1965 to L. G. Beaubien & Co. and E. Savard Co. at 99.42.

Dominion Government

The Dominion Government has sold $20 millions of treasury bills due March 16, 1936, at an average discount price of 99.67248, a cost basis of 1.249 per cent.

NFLD. POWER CO. OFFERS NEW ISSUE; TO REDEEM BONDS

New 4½ Issue Will Result in Substantial Saving in Interest Charges

From Our Own Correspondent

MONTREAL. — Royal Securities Corp. is making a public offering of $1.4 million of 4½ per cent first mortgage sinking fund bonds of Newfoundland Light and Power Co., at 99½ and accrued interest. Proceeds of the issue will be used to redeem $1,273,000 of 6½ per cent first mortgage bonds. A substantial saving in interest will thus be effected.

Earning Power

Newfoundland Power is a subsidiary of International Power Co. It is the principal power utility in Newfoundland and over a period of a number of years has built up a well-established earning power.

In the last four years gross revenues have advanced steadily from $532,836 in 1931 to $577,953 in 1934.

The amount available for bond interest and depreciation has followed the same trend and totalled $343,780 in 1934.

This compares with all interest requirements, including the present issue, of $105,405 annually before depreciation. Depreciation charge in recent years has amounted to $80,000 annually.

Will Have $2.17 Millions

With the present issue Newfoundland Power will have a capital setup of $2,171,000 of bonds, of which $771,000 carry a coupon of 5½ per cent and mature in 1971 and the present issue; $456,500 of 7 per cent mortgage debenture stock, maturing in 1949; and $1,500,000 of common stock.

BUENOS AIRES TO RE-ADJUST FUNDED DEBT

Bondholders to Get Lower Interest, But Better Security

Province of Buenos Aires, Argentina, is proposing a comprehensive readjustment plan to holders of approximately $70 millions of dollar bonds. The readjustment plan follows negotiations with the Foreign Bondholders' Protective Council Inc. Bondholders are being offered lower coupon debentures, with improved security, in place of outstanding obligations. The move is of considerable Canadian interest in view of the large number of these bonds held in this country.

The plan is only part of a programme for putting the finances of the province on a sound basis. Not only is the dollar debt of the province to be readjusted, but a comparable revision of the external debt payable in sterling, held in England and on the continent, and of the internal funded debt is to be made. At the present time the province is devoting 37 per cent of its estimated budgetary expenditures to service of its funded debt.

Not only will the readjustment bonds be direct and general obligations of the province, but will also be secured by the assignment of the proceeds of certain taxes which, under federal law, are collected directly by the agencies of the national government of the Argentine. These taxes are paid by the agencies into the Bank of the Nation, a federal banking institution, and remitted by the bank to the paying agents, to the extent necessary to meet the readjustment service on the external debt of the province.

In consideration of the improved security for the new bonds, assenting bondholders will surrender their claims to the security pledged for their present bonds. The plan also includes the provision that the province will not increase its external debt without the consent of the national government so long as the readjustment bonds are outstanding. The national government has maintained its credit on a sound basis throughout the depression.

Dollar loans affected are the 7½ per cent bonds, due Nov. 1, 1947; 7 per cent bonds, due April 1, 1952; 6 per cent refunding bonds, due March 1, 1961; and 6½ per cent bonds, due Aug. 1, 1961. The new bonds issued for the present 6 per cent bonds will mature March 1, 1977; for the 6½ per cent bonds, Aug. 1, 1976; for the 7 per cent bonds, April 1, 1976; and for the 7½ per cent bonds, Nov. 1, 1975.

Detail of New Rates

The new bonds, with their interest and amortization rates, will be as follows:

Readjustment Bonds

Old:	Int. 1936-38	Amor.	Int. 1939-41	Amor.	Int. From 1942	Amor.
6%	4⅛%	0	4⅜%	¾%	4⅜%	1⅛%
6½	4¼	0	4½	¾	4½	1⅛
7	4⅜	0	4⅝	¾	4⅝	1⅛
7½	4½	0	4¾	¾	4¾	1⅛

Interest will accrue from the date of the latest coupon due in 1935 and will be payable semi-annually in U. S. currency. Sinking funds for the new bonds will be cumulative and will be applied semi-annually to purchase not in excess of par, otherwise to drawings at par.

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold to	Rate	Due	Amount	Price	Yield
Shawinigan Falls	Dec.	L. G. Beaubien & Co.	4%	1936-65	$221,000	99.42	.....
Guelph, Ont.	Dec.	R. A. Daly & Co.	4%	1945	124,000	100.08	4%
Oxford, County of	Dec.	J. L. Graham & Co.	2½%	1936	22,716	99.647	2.69%
			2½%	1937	23,284		
King's County, N.S.	Nov.	Dominion Securities	4%	10-yr.	15,000	101.62	4.30%
Truro, N.S.	Nov.	T. C. Douglas	3½%	1936-65	26,000	100.02	.....
Halton, Ont., County of	Dec.	Bank of Nova Scotia	3%	5-ins.	28,000	100.221	2.92%
Provincial—							
New Brunswick	Dec.	Dominion Securities Corp. and syndicate	3¼%	10-yr.	2,750,000	98.57	3.42%
Dominion—							
Canada, Treasury Bills	Dec.		....	Mar. '36	20,000,000	99.67	1.249%

Bondholders Approve National Realty Sale

Reorganization of National Realty Corp. through sale of its property to a new company, Lombard Realty Co., has been approved by first mortgage bondholders. National Realty owns St. James parking garage at Church and Lombard streets, Toronto.

Under the terms of the reorganization proposal, first mortgage bondholders of National Realty are to receive five per cent first mortgage bonds of Lombard Realty, equal to 70 per cent of the principal amount of the bonds held, and two common shares for each $100 principal amount of bonds. Interest on the first mortgage bonds of Lombard Realty during the first three years is non-cumulative and is payable only out of income available for interest.

Sanction of the reorganization has yet to be given by the second mortgage bondholders. At a meeting called for Dec. 4, a quorum was not present. The meeting was adjourned until Dec. 23.

CANADIAN INVESTMENT SECURITIES

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ENQUIRIES INVITED

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BELL, GOUINLOCK & CO.
LIMITED
MONTREAL 25 KING STREET WEST TORONTO, CANADA WINNIPEG
TELEPHONE: ELGIN 2236

Conversion Offer:

Maritime Telegraph & Telephone Company
Limited
Thirty-Year Refunding and General Mortgage Bonds, Series "B"
6% to July 1, 1941 — 4½% thereafter to maturity
To be dated January 1, 1936 To mature January 1, 1966

As underwriters of this issue, we will accept in exchange for the Company's presently outstanding 6% First Mortgage Bonds, due July 1, 1941, which have been called for redemption on January 1, 1936, an equal par value of the Series "B" Bonds, above mentioned, in multiples of $500.

This offer to convert the 6% First Mortgage Bonds into the Series "B" Bonds expires on December 31, 1935, prior to which date bondholders should communicate with our nearest office if they wish to take advantage of the conversion offer.

VANCOUVER
OTTAWA
QUEBEC
SAINT JOHN
MONCTON
FREDERICTON
CAMPBELLTON
CHARLOTTETOWN
HALIFAX

W. C. Pitfield & Company
Limited
235 St. James Street
Montreal
80 King Street West
Toronto

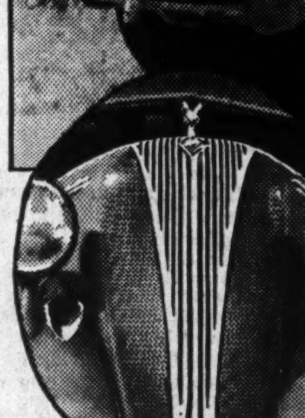
HEINTZMAN—The Gift of which you may be proud

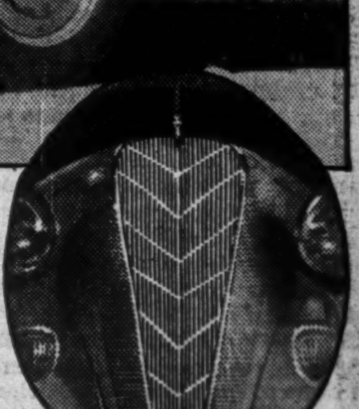
GIVE YOUR FAMILY a Heintzman this Christmas, for it is a gift of which you may be proud. The whole family will appreciate it and from it derive a great pride in its possession and the culture and entertainment it affords.

In giving the Heintzman you are giving the finest piano made. Concert artists the world over praise this instrument for its glorious singing tone, for its light, instantly responsive action. Interior decorators are agreed that it is outstanding for its truly distinguished design. Visit the Heintzman piano salon and select the piano for your family. A deposit will hold any instrument for Christmas delivery. For your convenience payments may be extended over a period of 30 months.

HEINTZMAN
& COMPANY, LIMITED
195 YONGE ST. *Open Evenings* ELgin 6201

HUDSON and TERRAPLANE
With Most That's New for 1936





"Isn't it a beauty, son? They'll all envy us now!"

New Leaders of the Style Parade

Once in years, there's an automobile show where one or two cars stand out above all the others. This year, it's the 1936 Hudsons and Terraplanes.

Discover what the early previews have shown—that Hudsons and Terraplanes have the two *completely* new designs for 1936.

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Member Audit Bureau of Circulations

Editor—FLOYD S. CHALMERS
Business Manager—D. M. GOWDY

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TORONTO, DECEMBER 14, 1935

Contrasts in Private and Public Credit

IN THE private corporation, scrutiny of accounts by shareholders and creditors provides continuous supervision.

In the case of government enterprise, satisfactory annual records of stewardship have not always been given by elected officers and those that have been published have not been studied by many citizens.

Lenders and taxpayers have not, until recently at least, thought of viewing government accounts and loans from the same angle as investors do corporation accounts and securities.

These contrasts between private corporations' affairs and government finances were pointed out by George C. McDonald of Montreal, in a recent address to the Commercial Undergraduates Society of McGill University. He commented:

> "As a result of this lack of check on government borrowings, we find that the debts of all governments, whether federal, provincial or municipal, have been accumulating at a most alarming rate, and what is even more serious, that these increased debts are not represented by increased assets or earning power."

The remedy suggested by Mr. McDonald is to induce the public to take an intelligent interest in government accounts and affairs, so as to promote a demand among the electorate for adequate information and statements.

In urging the McGill undergraduates to acquaint themselves with the serious debt burdens being assumed by governments, Mr. McDonald contributes his bit to education on government finances. Until the public understands that in demanding government expenditures it is asking to be taxed more heavily, politicians will not be persuaded easily to be frugal with other people's money.

Balancing of Trade

MOST of the world's present troubles are due to basic fallacies in which there is just enough of the appearance of truth to lead people astray. One of these mass delusions is that trade between any two countries, or provinces, or towns, or persons, should be perfectly balanced.

Trade can be so balanced only under the barter system, such as prevailed in the world in much darker ages. Civilization has developed because of man's ingenuity in devising ways and means of financing the exchange of goods so that it is not necessary for two men, wishing to do business with each other, to confine their trading operations to the limited number of commodities each one is able to produce.

Trade is not a bilateral enterprise but a multilateral one. Before the Western farmer receives the necessities and amenities of life, that represent the payment he receives for his wheat, thousands, yea, millions of people will have entered into the transactions. And before the payment can be conveyed from Britain to Canada for that wheat, exchange transactions involving many countries will have been invoked. It is the attempt of most countries to jettison this delicately balanced system that has reduced world trade to one-third of its pre-1929 proportions and brought about a depression most cruel in its effects.

Yet the fallacy remains. Countries study their merchandise balance sheets with other individual nations and overlook the world picture. The fallacy enters even into domestic trade. Mr. Pattullo attempts to set up a trade balance sheet between British Columbia and the East. Mr. Aberhart does the same thing, saying to the East:

> "How do you expect us to buy the goods you manufacture if you buy nothing from us?"

The answer to this question (overlooking the fact that the "nothing" is inaccurate) is that Alberta pays for Eastern Canada's manufactured goods mainly with the money it receives from abroad. If Alberta citizens were willing to reduce their purchases from the East to the level of Eastern Canada's possible consumption of wheat its citizens would enjoy a much reduced standard of living.

It is utterly foolish to ask Canada to aim at economic self-sufficiency. It would be ruinous to our national development. Neither the manufacturers of the East nor the primary producers of the West would benefit from such an effort.

B. C.'s Health Insurance Plan Needs Study

MEDICAL men, actuaries and taxpayers will breathe more easily if the one result of the Federal-Provincial Conference at Ottawa is to clarify the situation regarding health insurance in this country.

For a considerable time now, British Columbia has been toying with a scheme to introduce province-wide health insurance. After study and investigation extending over a considerable period the province is now expected to go ahead with some sort of scheme even though the plan as worked out last autumn be considerably modified. Two other provinces at least (namely Alberta and Manitoba) are experimenting and doubtless will be influenced by any positive action on the Pacific coast.

There are three fundamental reasons urging caution on the part of British Columbia.

The first is the question of finance. As now proposed, the health insurance scheme calls for an estimated annual outlay of at least $6 millions which is about one quarter of the province's present annual budget. This would include about $5 millions for the cost of medical services, hospitalization, drugs, appliances, etc., for those in the province who are to be included in the scheme, plus an additional $1,000,000 in the form of cash benefits to employees. It is a very pertinent question to ask how this money is to be raised. In the present precarious state of that province's finances, it seems difficult to believe that this added burden would not come back directly or indirectly on the federal government.

The second point is that the B. C. and Canadian Medical Associations have definitely broken with the province on the whole scheme in part because they feel the plan is too ambitious in attempting to embrace all persons receiving up to $200 a month, and also because of failure to agree over details as to how the plan is to be worked out.

The medical associations of this country have taken an extremely broad view of this whole question and are not on the whole antagonistic to schemes of this sort. The fact, however, that they have been unable to see eye to eye with British Columbia should give cause for caution because it is hard to see the scheme as successful without the active co-operation of the medical profession.

A third criticism is that the estimates of costs have apparently never been checked by reliable actuarial experts, and there is a strong feeling that this precaution is very badly needed. It is feared that if this scheme is put into force as now planned the cost would be very considerably more than is indicated in official estimates mentioned above.

Uncle Sam's Public Debt

AFTER three years of the most reckless squandering of the people's money in the history of a peaceful world, the United States is showing signs of wanting a different kind of policy. There is even talk of an early balancing of the budget and an end to the steady yearly rise in debt.

Back of the changing public sentiment are first, a dawning realization that public spending does not create wealth or prosperity and, second, a resentment against rising taxes.

The American people can consider themselves fortunate to have had Andrew Mellon as Secretary of the treasury for twelve years. During his regime, about $9 billions was cut from the public debt. That is why even Roosevelt's extravagance has not yet put the debt much above the war-time figure. The debt is still rising; how far it will go will depend upon the degree to which the public demand for sound administration exerts itself. Roosevelt says that bankers have told him that the country can stand a public debt of between $55 and $70 billions. But no one can find a banker who will admit that he ever said that. And even Roosevelt now knows that the voters will rebel against him long before he ever creates a debt of such fantastic proportions.

Roosevelt minimizes the seriousness of the rise of $8.5 billions in the public debt during his regime by referring to cash and recoverable assets on hand. Thomas J. Watson, president of International Business Machines, recently spoke in similar vein in Paris. He pointed out that the real increase in debt borne by taxation was a little over $2 billions, or less than one per cent of the national wealth. But such calculations overlook the large guarantees that have been given and that are not included in public debt figures.

If the administration goes out on a programme of stopping the rise in debt and controlling public spending in the interests of the taxpayers, the public debt of the United States can be held within sufferable limits. But such a policy cannot be long deferred if the end is to be gained.

Alternative to Aberhart

SINCE Social Credit, even the Aberhart variety of it, is a thoroughly impractical scheme, there arise many doubts as to the early trend of political affairs in Alberta. Premier Aberhart's government cannot be regarded as having a permanent hold on the voters. It stands to lose out whether Social Credit is attempted and fails or is simply not attempted at all.

For that reason discussion of the next move in Alberta is not too "previous" at all.

If the various opposition groups, the Conservatives, the Liberals and the U.F.A. could unite their forces to form a stronger opposition and thus provide for Alberta a good alternative government, in the event of the collapse of the Aberhart government, then the political outlook in the foothills province would be clearer. But so far, efforts to bring the groups together have failed.

Taking advantage of this circumstance, Communist organizers are busy. They exultantly declare that when Aberhart is turned out of office the Communists will come in.

This prophecy is hardly likely to be filled if the middle-of-the-road oppositionists get together. Communism battens on political chaos. Eliminate the prospects of chaos and the danger of a Communist government will likewise be eliminated.

Communist Students

THERE is a Communist Club at the University of Toronto. The University authorities are reported by the press to be much embarrassed by it. If they squelch it they will be accused of interfering with freedom of thought. Certainly a university should be a place where intellects are untrammelled. If the University authorities permit it to carry on they will be accused of harboring a viper in the educational bosom.

It would be interesting to know if there is a Capitalist Club at the University of Toronto. It would be interesting to know if there is a club for the discussion of democratic liberty. It would be interesting to know if there exists any group at the university as actively campaigning for the preservation of our economic system as the group speaking for those who seek to destroy that system in its entirety, including both the good and bad.

We are not urging the formation of such groups. In fact we do not feel that a university should be a medium for the promotion of fixed or narrow philosophies. What it should stand for was well put by Dr. Nicholas Murray Butler, president of the Columbia University:

> "The intellectual, the rational and the reasonable approach to the solution of present-day problems in the light of the whole body of facts which constitute human experience."

We should be able to look to the universities for healthful guidance, for stimulus in political thought and for well-tested information. We should not look to the universities for propaganda for any one set of notions—old or new.

When university men gather themselves together in a Communist Club, they announce to the world that they have closed their minds, that they intend to let their emotions rule their intellects and that they desire to seek not the wider truth but the cramped ideology of a single, narrow political group.

University men who form a Communist Club do their institution a disservice. The public immediately recalls that the Comintern at Moscow has recently resumed on a major scale its world-wide propaganda for revolution by force of arms, if necessary; that Canada is well organized for such propaganda. The public will therefore assume that the Communist Club is a propagandist body. Whether it is or not we do not know.

The students who join it are to be pitied. They start their lives with their minds tied to Moscow's hampering apron strings. They have debarred themselves from glorious and free adventures throughout the whole wide world of intellectual inspiration.

Post-Scripts

Reporters Reported On

EXCERPT from an account of a recent murder, appearing in the Ottawa Citizen:

> "Police yesterday were running down a report that a woman was involved in the case. Citizen reporters working on the case yesterday were followed through the streets of Hull by a woman and a male companion.
>
> "Whether or not this was the woman reported to be involved could not be ascertained, but the reporters succeeded in dodging her."

If a dog bites a man—that's news! If a reporter is followed—that's news, too.

Sayings of the Week

"Taxes are the urgent problem in Canada today."—*W. Sanford Evans.*

• • •

"If we demand miracles, we must be prepared for quack remedies."—*James P. Warburg.*

• • •

"To those who say, 'Think of the difficulties!' I answer, 'Think of the reward.'" — *Winston Churchill.*

• • •

"Approach to our big public issues should be from the standpoint of the taxpayer."—*W. Sanford Evans.*

• • •

"We have false prophets nowadays, but we do not call them that. We call them demagogues."—*Alfred E. Smith.*

• • •

"After four years of depression, America is not changed and is ready to see good times again."—*Dr. André Siegfried.*

• • •

"The democratic form of government is the most difficult of all, because it sets for itself so high a purpose."—*Lord Tweedsmuir.*

• • •

"Free enterprise, operating under democratic institutions, is the only economic system capable of providing abundance."—*Ogden L. Mills.*

• • •

"SEC salary lists? You mean the annual guide book for bandits, extortioners and kidnappers?" —*James H. Rand, president, Remington-Rand.*

• • •

"The world of the future will wear outer garments that last only a week and are done with. There will be no more laundries."—*H. G. Wells.*

• • •

"Whenever a successful man develops a case of swelled head, you can take it as a sign that his success is probably an accident." — *Bruce Barton.*

• • •

"Complete neutrality may, under certain circumstances, be merely an act of moral cowardice."—*Hon. C. J. Hambro, president, Norwegian Parliament.*

• • •

"It is an elementary proposition that all wealth is the fruit of the mental or physical labor of individuals; that individuals do not and cannot work apart from one another."—*Beni Prasad.*

• • •

"I would far rather have a young man talk the uttermost nonsense, provided that it is his own, than repeat like a gramophone the sagacities of other people. He may be foolish but it is better to be foolish than to be dead." — *Lord Tweedsmuir.*

• • •

"The Fathers of Confederation, when they drafted our constitution, never contemplated that problems of jurisdiction like the present would ever arise, for they did not think governments would ever try to do all they are undertaking today."—*W. Sanford Evans.*

Moscow's World Campaign

Editorial in the Montreal Gazette

The Riga correspondent of The London Times sends to his newspaper details of a new Moscow campaign the object of which is to spread the doctrines of communism throughout the world. The Comintern (Third International) held its world congress in Moscow last August and at least one Canadian delegate took a prominent part in the discussions. Since then, says The Times correspondent, the Comintern has taken several momentous decisions involving radical changes in its tactics abroad.

Its junior organization, K.I.M., which initials stand for the "International of Communist Youth," is to be reorganized. Its base is to be widened to include youth not only of Communist tint, but of all shades. Even members of "religious bodies" may be included in the new network of organizations which K.I.M. is instructed to establish in the chief countries of the world.

Warning is given to the agents not to be carried away by politics when approaching potential recruits. They are told to learn and use the speech of the young people they seek to convert, and they are instructed to pay attention to children as well as adults. Existing clubs and societies of non-Socialist countries are not to be treated as enemies. The only object to be openly attacked is Fascism. All other spheres of activity, Socialist and non-Socialist, must be studied and a firm footing gained in them all, especially in sport. In this connection it is worth noting that one of the immediate tasks is to defeat the plans for holding the Olympic Games in Germany next summer.

Unemployed girls are to be sought out for conversion in such countries as England and Belgium, and lodging houses and night shelters are recommended as good fields to work in. Small organizations are to be formed, and as these gather strength they are to serve as reservoirs "from which suitable elements may be trained for the great class war of the Comintern." The world field is to include "colonial and semi-colonial" countries as well as the greater ones.

All races and colors are to be included in the K.I.M. programme, the hope being to train individuals everywhere "in a spirit of hate for their imperialist oppressors."

A new executive committee of 41 has been appointed, at the head of which is a young Frenchman, and the central organization will work from two chief bases, Moscow and Paris. This new and more intensive campaign is of interest to Canadians, for the Communist party has been established in this Dominion for the past twelve years. Its mission is to establish the Soviet regime in this country, by force of arms, if necessary.

In the Mail

Canada and Sanctions

Editor, The Financial Post:

I have read with interest and not a little disappointment your viewpoint of Mr. Lapointe's repudiation of Canada's League of Nations representative on the question of oil sanctions.

Consideration must of course be taken into account that Canadian opinion is divided on our adherence to all the League principles. But surely we are decent enough and honest enough not to back down when it comes to a crisis—particularly a world crisis which may involve the whole world in war.

The Prime Minister was in Canada when Dr. Riddell put forth his motion for oil sanctions. Does it not seem strange that the government's repudiation should be made three weeks afterward and when Mr. King is out of the country?

Canada will vote for an oil embargo when some other country proposes it. This will put us in the same position as regards enforcement as if we had sponsored it. The result will be identical. But we now suffer the humiliation of having been unfaithful to our representative and backing down ignominiously on our moral obligation.

ROBERT OSLER.
Toronto, Ontario.

P. E. I. Acting Illegally?

Editor, The Financial Post:

You comment at length on the $3 millions permissive refunding legislation of Prince Edward Island. I think it is accepted in law that a British parliament has no power to levy upon the people, either taxing or bond issue, for any purpose other than to meet specific requirements of government, a Magna Charta safeguard. Our government claimed an overdraft and outstanding liabilities of $900,000. A bond issue for this would be intra vires. The government offers the excuse of prospective refunding as the reason for the remaining $2 millions debt authorization.

Legislation authorizing issues of bonds of this kind in most cases is for refunding maturing issues. In the Island's case there were no maturing bonds as yet callable for refunding. Hence, I submit that $2 millions of the permissive refunding authority is carte blanche to borrow for no specific purpose, and as such is ultra vires. I think this is worthy of emphasis in that there is a mad craze on the part of governments and corporations to borrow wherever and whenever they can get money.

The other excuse offered is anticipated legislation at Ottawa favorable to refunding. To make such legislation operative, it would be necessary to compel retirement of non-callable bonds, and we have had enough of repudiation.

ISLANDER.
Charlottetown, P.E.I.

Annuity Bargains

Editor, The Financial Post:

Once more I see you have devoted editorial space to the annuity department. I desire once more to protest against this unreasoned and ill-informed criticism.

The net result of your campaign will probably be the opposite to what you expect. The Liberal party is in favor of bigger annuities, not limited to $1,200 a year. By drawing attention to the issue you will probably finish up by seeing the annuity limit raised to $5,000 a year.

May I, therefore, suggest that, in spite of the representations of your insurance company advertisers, you endeavor to moderate your rancor against the finest annuity department of any government in the world.

W. B. WIEGAND.
New York.
Dec. 3, 1935.

Editor's Note: No rancor, but deep sympathy for the taxpayer impels The Financial Post to protest against a department that is unknown to most Canadians but that sells annuities at far less than cost to well-informed, often wealthy men. The Financial Post has had no representations on the subject from its insurance company advertisers; but it will be happy to consider any representations on the subject from well-informed people.

Other People's Views

Industrial Accidents

Canadian Printer and Publisher

Some very serious accidents, which emphasize the necessity for greater care, have occurred in the printing plants of Ontario during the past year. Often causing permanent injury, invariably distressful, and sometimes fatal, these accidents also take a heavy toll in money from employers.

Following a serious accident, Class 19 (Printing Trades Division of the Industrial Accidents Prevention Association of Ontario) recently made an award totalling nearly $9.500.

Another accident cost the same class of employers $6,000. But that was not the worst feature. An employee lost the sight of an eye.

How easily an accident may occur is illustrated in the last unfortunate case. The individual was cleaning a halftone with toothbrush and acid when a drop of the acid flew into his eye. Despite the eye being promptly cleansed, the acid got in its deadly work.

Plant employees too often forget. They are not inclined to be accident-prevention conscious until a serious accident occurs. Placard and other styles of notices are undoubtedly useful. But, are these enough? The responsible executive who sits in his office and fails to notice the hazards of the plant, or who depends upon government inspection and placards to make employees safety-wise is apt to be lulled into false security.

Placards and the like are not sufficient. The executives should make it a point to see that the foreman of his plant takes more effective steps periodically to bring to the attention of all employees the need for perpetual care.

Some plants have organized and trained their employees to make them safety-conscious. Safety campaigns have been carried on with profitable results—almost to the extent of eliminating accidents entirely. What one firm can do, another can do. It is up to the boss.

Food Trades Unperturbed

Canadian Grocer

As far as the food industry is concerned the reciprocity pact between the United States and Canada hasn't caused much of a furore. One of the few items affected to any extent is canned asparagus, and the big reduction in the tariff has aroused Canadian asparagus canners. But few seem to be worrying over anything else as far as imports are concerned. True, there is a substantial reduction in the cost of oranges coming in the first four months of the year, but then we have no orange growers in Canada. There is also quite a drop in the duty on canned shrimp, but there are not likely to be many protests in this connection. The reduction of one cent per lb. on canned fruits and vegetables isn't of much account because there is still a four cent a lb. tariff. We do not bring in many canned vegetables and never have, so there isn't much of a worry there.

Alberta's Detachment

Lethbridge Herald

Alberta seems to have a faculty of getting out of step with Canadian opinion; in recent times it has never failed to take up with movements that have no national appeal. It is unfortunate, but democracy's decision must be accepted, though Alberta perforce isolates itself from the opinion of the rest of the Dominion.

Speaking of Redistribution

Wall Street Journal

Inasmuch as congressmen are paid $10,000 a year, this figure is presumably one tangible measure of what a man can honestly earn. If all incomes in excess of this sum were to be confiscated by the Government for redistribution among the less fortunate the total available for such distribution would have been $1,290,149,000 in 1934, according to the recently published federal income tax figures. This amounts to $10.21 per capita, or an increase of 2.7 per cent in the present average per capita income of $377.

This, of course, does not necessarily prove that the redistribution of wealth and income might not be a good thing. But if we are to redistribute we should not fool ourselves into thinking that it will herald the millenium for the so-called underprivileged.

Stop Me If You've Heard This One

This story was told by Mrs. Coolidge to the wife of Senator Porter H. Dale, in the Spring of 1927. During his vacation in the Adirondacks, President Coolidge fished in a large pool all morning without getting a strike. Returning in the afternoon, he found a small boy there with a handsome string of trout.

"Well, my boy," said he, "I fished here all the morning and didn't catch any. How did you have such luck?"

"I used a whole worm," said the young fisherman.

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Week in Business

West Buying Again

• • • •

Bright U. S. Forecast

THE tide of business revival has reached the Prairies.

Devastated by drought and hampered by low agricultural prices, improvement in purchasing power was slower in entering this vital field to Canadian business than was the case in the more populous East. But in the last three months a definite gain is reported.

While grain men are still uneasy and the 1935 crop was not sufficiently large or well distributed enough to work any overnight change, nevertheless retail buying, for the first time since 1930, is now reported on the up-grade.

Debt reduction will have to wait on the 1936 wheat crop. In the meantime, however, better returns from cattle and a score of other products from the growing mixed farm area in western Canada are resulting in more cash business.

Retailers from the village grocery to the big department and mail order stores in the larger centres see again a steady flow of goods from their shelves into consumption. Farmers in Southern Saskatchewan, who were dependent for their very food on government relief measures a year ago, now as a result of a return to normal moisture conditions, have grown most of their food requirements and have some surplus to sell. In consequence, the drain on the municipal and provincial authorities has been lessened.

There is no sign of a boom, but neither is there any longer talk of wholesale land abandonment. As one big Winnipeg business man summed it up to The Financial Post recently:

"We are not getting back to the boom period of 1929, but we are getting within striking distance of 1926. And after all, the five years preceding 1926 represented a more normal and probably desirable period than the hectic era which followed it."

• • • •

With the publication this week of the annual business forecast of Cleveland Trust Co.'s Col. Ayres, the open season for 1936 forecasters has officially arrived. In short, the Colonel believes the volume of industrial production in 1936 as measured by Federal Reserve Board Index will probably not exceed that of 1935 by less than 12 per cent. Passenger car output may increase but probably by less than 10 per cent. Iron and steel production should advance by between 10 and 20 per cent. Bituminous coal output is likely to be greater by 5 per cent. Textile output will be smaller next year than it has been this.

Residence building should increase by more than 50 per cent; non-residence building by not over 10 per cent. Freight carloadings and electric power output should gain by not over 10 per cent.

Business Indicators

Changes of the Week

(Compared with the same period last year)

Favorable:

Flour Production—October figures show Canadian mills operating at 75 per cent of capacity compared with 68 per cent the previous month and 66.8 per cent at this time last year. Cumulative production to date still below 1934 figure.

Boot and Shoe Production—October output 7 per cent higher than a year ago. Cumulative production for year to date higher by 23 per cent.

Bond Sales—Big November total due largely to $75 millions federal loan. Last year's federal financing came in October.

Unfavorable:

Coal Imports—Lower in October and for first ten months compared with 1934.

Leading Indicators as Compiled by The Financial Post

▲Denotes new figures this week.

	WEEKLY DATA Latest 1935	1934	Cumulative Total Jan. 1 to date 1935	1934
Transportation—				
Car loadings (Nov. 30)	▲46,815	45,515	2,191,645	2,162,817
C.P.R. gross earn. (Nov. 30)	$ ▲3,647,000	$ 3,331,000	$ 113,092,000	$ 114,834,000
C.N.R. gross earn. (Nov. 30)	$ ▲4,583,827	$ 4,328,793	$ 158,209,786	$ 151,548,080
Business Conditions—				
Weekly index D.B.S. (Nov. 30)	▲98.9	93.8	......	......
	MONTHLY DATA 1935	1934	1935	1934
Business Conditions—				
Financial Post index (Oct.)	106.8	99.0	......	......
Transportation—				
C.P.R. net earnings (Oct.)	$ 4,249,343	$ 4,100,679	$ 15,636,102	$ 17,770,787
C.N.R. net revenue (Oct.)	$ 3,630,135	$ 2,809,429	$ 9,795,800	$ 9,951,934
Iron and Steel (Oct.)—				
Pig iron production (tons)	45,521	46,573	464,585	325,663
Steel ingots and castings prod. (tons)	95,016	57,975	742,720	643,137
Construction—				
Building permits (Oct.)	$ 4,020,308	$ 2,598,024	$ 40,530,687	$ 22,313,170
Contracts awarded (Nov.)	$ 8,290,800	$ 10,451,500	$ 155,940,100	$ 119,749,300
Newsprint (tons)—				
Production (Oct.)	266,515	235,021	2,245,703	2,117,228
Exports (Oct.)	240,421	204,904	2,053,207	1,932,918
Sugar (lb.)—				
Melting & shipments‡	86,100,288	88,258,195	716,071,482	689,342,405
Manufactured‡	129,825,202	126,421,593	754,506,205	713,483,860
Flour (bbls.)—				
Production (Oct.)	▲1,824,754	1,654,189	11,647,780	11,998,026
Wheat flour exports (Oct.)	501,442	485,549	3,911,861	4,206,597
Trade (October)—				
Imports	$ 52,751,020	$ 47,226,804	$ 455,787,336	$ 424,478,096
Exports	$ 84,952,580	$ 67,747,809	$ 576,759,667	$ 526,912,493
Wheat exports (bush.) (Oct.)	28,919,421	21,807,784	121,553,933	131,806,393
Employment, D.B.S. Index (Nov. 1)—				
All industries	107.1	100.2	......	......
Manufacturing	103.5	92.8	......	......
Electric Power Output (Oct.)—				
Total monthly (000's omitted)	2,162,569	1,853,226	19,104,570	17,153,078
Aver. daily	69,761,000	59,782,000	....	....
Other Industrial Indices—				
Lumbering:				
Plank & board exports, mill (Oct.)	138,118	122,849	1,104,074	1,148,806
Boot & shoe prod., pr. (Oct.)	▲1,911,713	1,782,172	18,440,551	15,005,689
Crude petrol. imp. gal. (Oct.)	133,728,567	110,637,902	963,751,490	903,500,224
Cotton imports, lb. (Oct.)	10,776,453	9,179,436	84,625,473	106,396,436
Raw rubber imp., lb. (Oct.)	1,819,433	6,816,973	44,611,645	53,808,573
Coal imports, tons (Oct.)	▲1,314,128	1,560,763	10,848,459	11,363,801
Finance—				
Bank debits (Oct.)	$ 52,907,516	$ 3,409,876	$ 25,592,251	$ 26,734,294
Bond sales (Nov.)	$ ▲131,418,000	$ 4,849,381	$ 854,890,929	$ 604,986,601
Life insurance sales (Oct.)	$ 30,416,000	$ 31,342,000	$ 297,678,000	$ 306,160,000
Automobile Financing—				
Used cars (Oct.)	$ 1,265,339	$ 1,075,877	$ 15,937,554	$ 12,271,446
New cars (Oct.)	$ 1,096,937	$ 930,492	$ 19,382,187	$ 15,271,867

*D.B.S. All-Canada figure comprising over 90% of the Canadian total. †000s omitted. ‡For 4 weeks to Nov. 2.

Background of Business

Million on Relief

Jobless Rolls are Worse in Big Cities—Motor Outlook—Why Rails Lag

Despite increasing employment in Canada, relief costs have not dropped correspondingly, and there are still more than one million Canadians in receipt of direct unemployment relief according to current figures compiled by the Canadian Welfare Council.

From the 1935 peak of 1,230,000 persons on direct relief last February the number dropped to 1,100,000 according to late autumn reports received by the council from relief departments and social agencies in the nine provinces. This compares with 1,150,000 estimated at this time last year or a drop of only 50,000. Against this apparent gain, however, must be taken into account the fact that 90,600 persons on relief last year in the drought areas of Saskatchewan have been removed from relief lists.

• • •

Bulk in Big Cities

"It's a cold fact," says the Council, "that Canada must face the situation that total numbers on relief have never dropped below the one million mark since Oct., 1932, and that per capita costs are undoubtedly rising. Wider introduction of cash relief in many centres without prior re-organization or adequate investigation and supervision services appears to have added to the cost and numbers on relief in certain areas."

Analysis by areas shows 12 of the larger cities with 25 per cent of total Canadian population to be carrying 38 per cent of total number on relief and spending in their support practically 50 per cent of the total monthly cost of relief for Canada.

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Jap Christmas Box

Prime Minister Mackenzie King stated last week: "We are making real progress and expect to reach a settlement before the end of the year in the Canada-Japanese trade problem."

It looks as if the government is planning a nice Christmas box for Canada-Jap traders.

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Woolworth News

Toys and books are the chief lines introduced into Canadian Woolworth stores above the old 20-cent top, according to general manager L. J. Harrington. He stressed the fact that the experiment has been barely started and will not be well under way until after Christmas. "We are too busy to develop this new line plan just now" he says.

So far only 25 of the 142 Canadian stores are carrying the new line, and Mr. Harrington says insufficient time has elapsed to say just how it is working out. Incidentally, Mr. Harrington is well pleased with Christmas trade to date, and is firm in his denial of recent rumors that this big chain is going into the cigarette business. "We have never done it and I don't think we ever will," he says. "We feel the same way about groceries and meat. We don't want to handle them."

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That $100 Limit

Retail merchants of London have definite ideas as to proposed regulations permitting Canadian tourists to bring back $100 worth of goods from the United States duty free, says Hardware and Metal. They do not oppose the plan but are asking Ottawa to put plenty of teeth in the law and set out following stipulations:

"To qualify as a tourist a Canadian must remain in the U.S. for at least 72 hours.

"The definition tourist must be made perfectly clear.

"No one may secure a tourist permit more than once in 30 days.

"With each purchase the merchant must make a written and sworn declaration."

The last clause, it was asserted, is an important one. Merchants who bring goods into Canada must make a declaration, and it was felt tourists should be in the same position.

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Dislike Luxury Tax

Strong vocal protests were raised the other day against the 10 per cent luxury tax on cosmetics by the Association of Canadian Perfumers and Manufacturers of Toilet Articles meeting in Toronto at their semi-annual convention, reports Drug Merchandising.

They hope to find a champion in Ottawa in J. J. Kinley, head of Kinley Drug Stores at Halifax and Lunenburg, N.S., and newly-elected member for the latter constituency.

"In Jack Kinley," said a spokesman for the perfumers, "we have a real good friend who hates this 10 per cent tax as much as we all do, and we can rely on him to plead our cause eloquently and forcibly."

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Why Rails Lag

Speaking in Toronto last week, Fred. A. Gaby, C.P.R.'s assistant to the president, remarked that while physical volume of business in Canada has now exceeded the 1926 level the volume of rail traffic is still 36 per cent below that point.

Searching for an explanation he finds railway traffic has very closely followed the index of our foreign trade of which grain, of course, is the most important item. Thus in 1928 Canada's foreign trade index stood at 119 while the corresponding index for railway traffic was 117.

The basis for each year is 1926 = 100. In 1933 trade was 65 and railway traffic 61.

The other bugaboo of the rail is motor transport, which Mr. Gaby now estimates carries something over 2,000,000 tons of l.c.l. traffic and which costs the rails $16 millions per annum.

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Fish For Dominicans

Dominican Republic has reduced its internal revenue tax on imports of Canadian smoked and dried fish effective November 19. The reduction is from 8 to 3½ cents per lb. This is the total of the combined duty and internal revenue tax. The old high rates have been in effect since March, 1935.

Canadian exports of dried, salted and smoked fish, to the Republic for 12 months ending March 31 totalled $181,000 out of a total trade of $261,000. This former rate was considered prohibitive.

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Noyes Views Outlook

Summarizing business achievement this autumn, Alexander Dana Noyes, veteran financial editor of the New York Times, pictures the results as indicating "general recovery" which is most unusual and which will probably in the history of the period make October, 1935, a memorable month. He cites the uniform high peaks achieved in steel, textiles, carloadings, railway earnings, and bank clearings, then summarizes his views as follows:

"In most lines of trade and industry there is still a long road to be retraced. It is evident, however, that business has struck a pace this autumn which indicates definite revival. That has occurred exactly six years after the panic of 1929. A precisely similar movement, the first positive entry of business into sustained recovery from depression occurred at precisely the same distance of time from the panics of 1893 and 1873."

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Longshoremen's Strike

This week saw the end of the five months longshoremen's strike on Vancouver and district and waterfront. Origin of the strike was at Powell River, B.C., where the Vancouver and District Waterfront Workers' Association alleged the local union had had differences with Powell River Company. They classed cargoes loaded at Powell River as "unfair," and refused to work them.

This led the Shipping Federation of B.C. to refuse recognition of the union and the strike was on. No reason is given for the termination of the strike.

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Motor Outlook

Public re-action to autumn showing if 1936 cars is a business indicator eagerly awaited by economists and business observers. In Canada, motormakers have been pleased at the consumer reaction to motor shows in Montreal and Toronto but uncertainty due to tariff changes in the U.S. trade agreements has disturbed consumer interest to some degree. Quick action toward announcement of new lower prices has restored interest in leading makes but new prices are not yet available on many cars imported for sale in Canada.

The whole industry, as a matter of fact, is a bit jittery in Canada and probably will be until final results of the tariff board hearing are known. The fact that this hearing has been advanced from January to December 16 is taken to mean that rapid, effective action of the whole question of the automotive industry will be taken shortly by the federal government and that contrary to first impressions, the new government intends to listen to the tariff board advice and complete the exhaustive investigation into the industry undertaken earlier in the year.

• • •

Codeine Troubles

Federal authorities at Ottawa are alarmed about the codeine situation in Canada, says Drug Merchandising. Canada is the only country in the world in which codeine is not considered a narcotic and the latest attempt at regulation by the department of National Health and Pensions at Ottawa, aimed to limit sales of this drug to one ounce per month for each retail outlet unless special authority was obtained.

In spite of this regulation, it is reported that in Toronto, for example, one druggist purchased 78 oz. in a month with others running as high as 43 oz.

It is claimed that unless there is a distinct improvement in the situation, codeine will definitely be placed in the narcotic list in Canada.

New Industries
and Plant Extensions

Compiled Weekly
By The Financial Post

Stokers—Link-Belt Ltd., Toronto, has put on the market automatic underfeed screw coal stokers for both home and industrial use. The coal feed is by means of continuous molded feed worm of special analysis steel.

New Motor—known as the Kimetic motor, invented by Felice Holzknecht, Vancouver, will be manufactured by Kimetic Motor Development Ltd., Vancouver, with Henry Hoffer as general manager. This is a pressure type rotary motor, actuated by either steam or air pressure, and can be developed for use for boats, as a stationary engine, for locomotives, automobiles, mining and industrial work. A branch plant will be built in Eastern Canada. (Modern Power and Engineering.)

Gatex—a new English belting offered by A. R. Williams Machinery Co., Toronto, manufactured by George Angus Co., England. It is woven solid from a new type of yarn known as "Filastic" and is resistant to both dry and damp heat. It is claimed to have practically eliminated slippage. (Canadian Machinery.)

Sight Light Indicator—makes it possible to measure light in terms of seeing, to determine the amount of light available in a given area, and is small enough to fit into a pocket. Produced by Sight Light Corp., New York.

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Miller Clothing Co., of Montreal, will establish a branch in Kingston, giving employment to 125 or more people. (Kingston Whig-Standard.)

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Coking Plants are to be located in the Montreal district and in Kitchener and Owen Sound, Ont. Albert Grant, Grant Engineering Co., has been in England arranging for the purchase of these plants, which are expected to be in operation next summer producing processed coke to be sold in egg-shaped briquettes. (Montreal Star.)

• • •

Snow Fence Factory is to be located in Orillia, Ont., according to E. N. Tutt, Toronto, the principal in the new company. Extensive alterations are being made to John Jennett's property to house this new company. (Orillia Packet and Times.)

• • •

Toronto Industrial Commission announces that: **Ontario Engine & Foundries, Ltd.,** has taken over the entire plant of the former Wind Engine & Pump Co. for the production of high-grade grey iron, alloyed metal, high tensile iron and semi-steel castings at Liberty St. and Atlantic Ave.

New Industries

Thirty-nine new industries have been established in greater Winnipeg this year. Eleven factories have been expanded and over 40 new products have been added by established industries during the same period.

Commodity Prices

	Latest week	Previous week	Same week last yr.
Cattle	$5.85	$6.00	$5.50
Hogs	8.75	8.25	8.50
Copper, lb.	.09¼	.09¼	.09
Cotton, lb.	.1220	.1215	.1270
Rubber, lb.	.1312	.1322	.1306
Sugar, raw, lb.	.0310	.0340	.0297½
Silk, lb.	1.99	2.02	1.36
Wheat (Man.) bus.	.84⅝	.84⅜	.79⅝
Coffee, lb.	.06⅝	.06⅝	.09⅝
Weekly Indices			
N. Y. Annalist	129.9	129.6	117.4
Fishers'	84.6	84.5	78.7
N. Y. Journal of Comm.	81.1	81.6	77.3
Crumps (Brit.)	68.6	68.7	64.3
U. S. Labor	80.6	80.4	76.3
Canada (D.B.S.)	72.9	71.2	...
Monthly Indices	Latest month	Prev. month	Same last year
Canada (D.B.S.)			
Retail (Oct.)	80.4	79.6	79.1
W'sale (Oct.)	73.1	72.3	71.3
U. S. Labor (Oct.)	80.7	80.5	76.5
Gt. Brit. (Oct.)	77.4	75.7	70.5

Note: Indices on all base 1926 = 100. British index is Economist converted to 1927 base.

Base of price quotations is as follows: cattle—steers, good, over 1,050 lb., top price, Toronto: copper—electrolytic, New York: silk—Japanese, 13-15, New York: Sugar—96 degrees centrifugal c/f New York: wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; select bacons, Toronto.

Newfoundland Light and Power Company
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These bonds are being issued to retire the Company's 6½% First Mortgage Bonds, which have been called for redemption on January 1, 1936.

We offer these bonds for delivery if, as and when issued and received by us, and subject to approval by counsel.

Price: 99½ and accrued interest

Descriptive circular on request.

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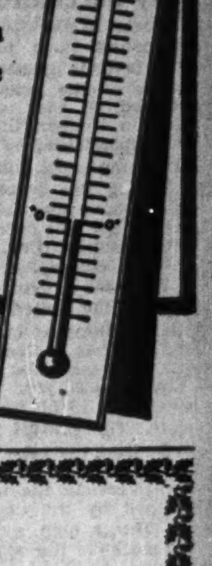
Established 1832



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Can Oils Repeat Boom Record?

Industry Must First Overcome Overwhelming Surplus of Crude and Refined Products—What If Tariff Drops?—Too Many Merchandisers—Glut Will Pass

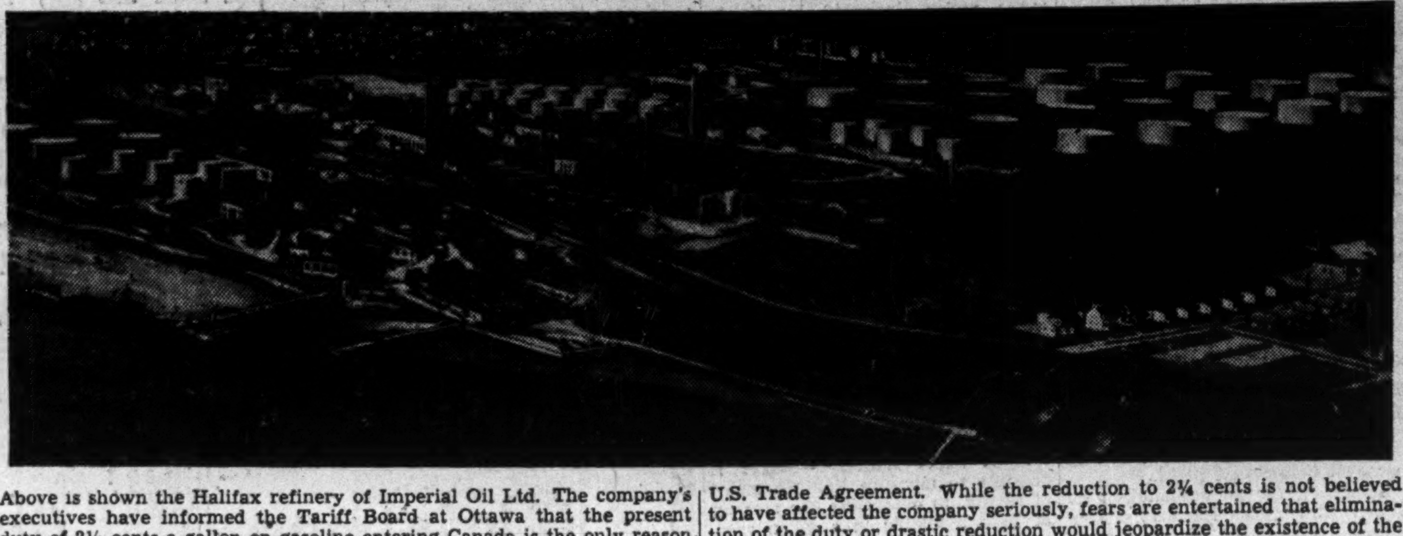
By **WELLINGTON JEFFERS**

Stocks of the large Canadian oil companies have for two decades been favorite investments. Until 1930 stocks of the principal companies realized all that was expected of them in dividend increase and market appreciation by the most hopeful of the early investors.

During the depression the companies have maintained their earnings in the face of keen competition and growing difficulties due to "hot" oil and consequent demoralization of the price structure for all oil products in the United States as well as alleged dumping of low knock-rating gasolines in Canada at prices below those asked for standard brands.

In the last year interest has reawakened in oil stocks on a large scale. The general public has been expressing the view, with its money, that many companies are in a position to resume the advance that was stopped by the depression. There has been a high level of trading in the stocks of the largest and strongest companies, but only desultory interest has been shown in the smaller companies so far.

Is Gasoline Refining Industry Threatened by Tariff?



Above is shown the Halifax refinery of Imperial Oil Ltd. The company's executives have informed the Tariff Board at Ottawa that the present duty of 2¼ cents a gallon on gasoline entering Canada is the only reason the company is able to continue refinery operations in the Dominion. The duty was 2½ cents a gallon prior to the recently concluded Canadian-U.S. Trade Agreement. While the reduction to 2¼ cents is not believed to have affected the company seriously, fears are entertained that elimination of the duty or drastic reduction would jeopardize the existence of the industry here. Removal of the duty would mean transfer of Imperial Oil's refining operations from Canada to South America, it is claimed.

Change is Vast

Fifteen years have made a vast change in the profit possibilities of the industry. In 1920 all the geologists, the oil experts and the big marketing companies feared exhaustion of known petroleum reserves. They were scared by the swift growth in the use of automobiles in a very few years. That scare stirred up capitalists big and little, and the world's most intensive underground search began for oil.

Tremendous oil fields were discovered as a result in Cailfornia, Oklahoma and Texas in the United States. The producers learned to repressure and to pump the fields in a way to get much more of the product below ground than was formerly possible. The refiners grew so expert at cracking crude that now they are able to get almost any percentage of gasoline, kerosene, fuel oil and lubricating oils they desire.

Reducing the Duty

It is really one of the economic marvels of the age that the large companies of the United States especially could continue in existence at a time when possible production of crude mounted to a total of from 30 to 50 times market requirements. Federal and state curtailment policies on the largest scale, though unable to prevent the sale of illegally produced crude in considerable volume, have alone prevented general bankruptcy and liquidation of all but the strongest companies, which probably would have survived in any case.

The Canadian cities looked like good markets in which to dump surplus supplies and only the action of the Bennett government in increasing the duties on foreign gasoline from 1 to 2½ cents a gallon prevented the cities of Canada being flooded with cheap gasoline. Overhead of the dumpers was very low because they were interested only in large city markets and in achieving volume through cheap outlets.

Duty Reduction Sought

The Tariff Board is now considering an appeal by a western co-operative for reduction of the duty. Investors cannot ignore the question as to what effect on earnings reduction or disappearance of the duty would have.

It is apparent that the Canadian companies would not have made enough money to pay the dividends they did pay during the depression if the industry had not been protected. Every executive of the large companies says so. He says also that if the duty disappears refining will stop in Canada. The companies would in such a case buy the gasoline from the cheapest sources and retail in Canada. Canada could then expect to see duplicated in its cities the swift ups and downs of prices in United States cities as branded gasolines struggle to maintain their preeminence in the public mind for quality and performance and therefore to keep up volume against the price appeal of the unbranded gasolines.

Two Monster Stupidities

It is relevant to say here that the ills of the industry are not due alone to too much efficiency, intelligence and success in exploration, production, refining and distribution. Two monster stupidities were also necessary to make these positive factors produce disaster financially. The failure of governments to realize that it is a criminal waste of national resources to permit anybody or any company that can get hold of an acre or a few acres of likely or unlikely ground to dig a well, however it may affect the conservation of oil resources, was Stupidity No. One. They had lots of warning. The waste took place in full view. Constantly owners of contiguous properties were obliged by a successful well on a small property to drive "offset" wells, sometimes as many as four to one successful well. They would even dig offset wells as soon as another began just to guard against a success which would be fatal to their own underground assets.

Peru and Colombia in South America did very much better by setting aside large areas of wildcat territory for exploration and development by the strongest and most experienced companies they could find. The absurdity of the offset well was thus prevented.

Wildcat Speculation

Stupidity No. Two was also outside the industry itself. It was the prevalent tendency of large sections of the public to invest without investigation in the 20's. They financed every type of oil company from the veriest wildcat to the strongest fully integrated company. Investment advisers applauded in a large percentage of these cases.

What About Profits?

Can the oil companies ever show again the enormous profits of the 20's? Does the picture of intense competition, over-production and enormous reserves of crude kept off markets with great difficulty mean that the oil industry as a whole will never see again a period when the whole problem of companies will be to hasten production at very profitable prices in an attempt to keep up with the swift expansion of demand. They had such a period in the early 20s.

Demand Will Increase

It is reasonable to expect — in good times especially—a steady growth in the daily demand for gasoline and oil products, as millions of new cars are added in the years to come to the 25 million automobiles of all descriptions now registered in Canada and the United States.

Though aeroplanes already fly on daily schedules to all points of the compass in the United States, and service the human needs of most whites in the whole vast wilderness north of rails in Canada, it is very likely that those using the sky for a highway will multiply rapidly in the decades ahead.

In addition, the growth in the use of Diesel engines for industry and transportation is causing an enormous increase in the demand for fuel oil. The consumption of fuel oil in Canada now rivals that of gasoline.

Not a wheel of industry turns, not a vehicle moves and not a watch ticks without figuring in the demand for lubricating oils. Hundreds of other oil products are required in modern industry and civilization.

This writer therefore believes that the present glut is a passing phase just as the much touted shortage was 14 years ago. Even present reserves of from 12 to 14 billion barrels are not inexhaustible.

At the present rate of consumption they might last for 12 to 14 years but at an increasing rate of demand they might be gone in from five to eight years.

Imperial Oil

Imperial Oil is the titan of the Canadian oil industry. It captures the imagination of investors by the magnitude of its operations and the financial strength shown in its recurring balance sheets.

They know as well that it has made a number of fortunes for those who bought its stock at various periods during its 55 years existence, and who had the perseverance to hang on to it. This has been particularly true during financial history known to all the present generation, that is, in the years from 1910 to about 1928. They regard the company's management, its ability to render services to the public, and its sources of revenue in a highly favorable light. They expect the rate of growth shown before 1930 to be resumed from now on.

Are they right in their optimism or are they overlooking something? Changes in the tariff, for instance?

Record is Astounding

The record certainly is astounding. One share of $100 par value stock held early in 1915 has increased to 128 no par value shares which paid $1.25 a share in 1935 and which pay a regular dividend of 50 cent a share.

A persistent shareholder during that period would now be getting the equivalent of $64 a share on that original share in regular dividends and with bonuses he would have received altogether in 1935, $144 for each original share. That same earning would accrue to one who held eight shares of $25 par value stock in 1919 and to one who had held 32 shares of no par value in 1925.

Splitting Shares Unlikely

It would be safest for the investor to take it for granted that for many years further splitting of shares is unlikely. It was easy to split time and time again the shares resulting from splits of the original 100,000 shares outstanding early in 1915. Splitting at the same rate nearly 27 million shares now outstanding, however, would soon bring the market value of the stock down to the level of market prices currently quoted for $1 par value stocks of mining companies. The advantage of that is dubious.

Imperial Oil has an exceedingly efficient refining, distributing and marketing organization in Canada. It can deliver gasoline, fuel oil, lubricating oil or any other oil product from its six refineries to any place of need from the Atlantic to the Pacific oceans and from the Great Lakes to the Arctic ocean.

But that huge organization has not made as much as one cent a gallon for the company during the depression years. It earned in Canada only 11.23 cents a share in 1934 of the 92½ cents a share paid in dividends. It is not likely that it earned much more than 12 cents a share in Canada in 1935, though it has paid $1.25 a share, ten times as much.

Is Bell-Wether

Imperial Oil is the bell-wether of the oil flock. It lowers the price of gasoline when lower costs for crude or increasing competition make it advisable. It raises the price when competition lessens or the cost of crude goes up. The others follow, Imperial Oil claims, because "the competitors cannot get the business if they sell for more, or profits if they sell for less."

Being the largest company, Imperial Oil is a shining mark for investigators of gasoline prices, and for appeals to the tariff board by bodies of consumers seeking lower rates. It has, since 1929, repeatedly thrown its books and other records open to various official investigators. Under this white light it cannot make inordinate profits in Canada without everybody knowing it.

Refining Threatened

What if the duty of 2½ cents a gallon should disappear? It has just been reduced to 2¼ cents a gallon by the trade agreement with the United States. That will not hurt the company but the industry objects strenuously to anything less.

Imperial Oil officers told the tariff board the duty alone kept them refining in Canada. If it is removed, it is claimed, they will soon be doing their refining in South America right at the International Petroleum fields. That would hold their markets in Canada probably to a large extent but if United States producers dumped in Canada at less than cost, Canadian profits would be lower than before and might disappear in some months or years.

If an adequate duty remains, what then? The chances for increase of profits by this company in Canada would still be slow except as volume grew. Whenever prices go up in the United States a similar phenomenon would occur in Canada and give larger profits if the increase was not large enough to affect volume.

The only great chance for quickly increased profits in Canada is for the company to find a major oil field in Canada. It spent six million dollars in that search in Alberta and it has as a result Royalite Oil and a major control of the principal companies in the Turner Valley. But it is after much bigger game than that. It is continuing the search in Saskatchewan, and if some time it does strike a field of even one quarter the potentialities of the big fields in California, Oklahoma and East Texas, its shares and profits will once again mount.

Chances Best Outside Canada

But outside Canada, Imperial Oil's chances for increased earnings are excellent. Its growing success with International Petroleum means that outside Canada it is a world company of great prospects.

By purchase and by merger it is possible for it to improve still further its commanding position as one important source of world supplies.

Because it holds 60 per cent of the stock of International Petroleum it would be well to consider prospects of Imperial Oil outside Canada by a study of International Petroleum.

International Pete

International Petroleum Co. and its subsidiary, Tropical Oil Co. in Colombia are marketing more than 33 million barrels of crude petroleum in 1935. It marketed more than 31 million barrels in 1934. It sold one fifth of its exports of 25 million barrels in 1934 to Imperial Oil Co., its parent company in Canada. The rest is sold in Great Britain, Europe, and South America.

It not only increased its crude oil production and exports in 1935 but it also increased its sales in the country of origin and in South America generally. In 1934 it processed 7.5 million barrels of crude petroleum at its refineries at Barranca Bermeja, Colombia and at Talara, Peru.

Large scale road-building projects in every South American country which is beginning to recover from the depression also make it possible that there will be a development almost as rapid as that which occurred in the 20's in North America. That would require a sufficient recovery in world trade to stimulate South American prosperity.

European prospects for peace must improve to strengthen materially the sales of an oil company like International Petroleum. The sales for war purposes are not nearly so important as those that would be brought about eventually by peace and prosperity.

Application of sanctions against exports of oil to Italy would not threaten the company's European outlets.

Share Splitting?

So far as share splitting is concerned International Petroleum has a larger field for possible expansion than its parent company. International Pete has 14,524,088 shares outstanding, not much more than half the Imperial Oil total.

One who held an original share of Pete in 1915 would only hold four shares now as a result of the two stock-splits which have occurred. The dividends of $2.50 a share paid in 1935 would be equivalent to $10 a share on that original stock. Only $1.50 of that $2.50 dividend has actually been earned. The remaining dollar has been paid from surplus earnings of preceding years.

The public expects a lot from this stock. It is quoted about $36 a share and current earnings are only about $1.50 a share. The market is nearly 25 times actual earnings and 14 times actual dividends. Deducting possible bonuses from market values, the remaining price is still nearly 21 times actual earnings.

Conditions of Expansion

The question then becomes, what chance is there for these profits doubling or trebling? An increase in the world price of crude oil would be the quickest way to such an increase. That can come only in two ways:

1st, an inevitable drop sooner or later in flush production of other fields now able to supply beyond world requirements;

2nd, a continuance in the world trend toward use of oil for every kind of transport either as gasoline or as fuel oil.

These two conditions may come within the next decade, barring major catastrophes such as revolutions, wars, and disasters of world-wide effect, and possibly in spite of them.

The affiliation of International Petroleum, through Imperial Oil, with Standard Oil of New Jersey is of inestimable benefit in the world search for markets.

Thayers

Thayers, Ltd. is a distributing company by wholesale and retail from Chatham to Toronto. It sells about 4.5 million gallons of gasoline a year through outlets acquired by a merger of five small companies. It has outstanding 9,550 no par value $3.50 cumulative preferred shares, which have paid dividends and 50,454 no par value common shares.

Net earnings in 1934 were half those of 1933 but, as depreciation was not deducted the company was able to pay both preferred and common dividends. The common dividend was 50 cents a share out of 52 cents earned before depreciation.

In the previous year depreciation deducted was $50,234 equal to $1 a share if applied on common. The dividend policy on the common is not attractve to investors until depreciation is shown before common earnings.

Investment Picture of Oil Companies

Company:	1935 Market Value High	 Low	 Dec. 10	Share Earnings Oper.	 Invests.	 Total	Dividend Yield $	 %	Mkt. Time Earns.
B. A. Oil ...	16⅝	13⅜	16⅞	$1.05	$0.19	$1.24	.80	5	12.9
Can. Oils ..	15	11	13½	.31	....	.31	.50	3.6	43
Do., pfd...	127	113	125	10.26	....	10.26	8.00	6.4	12
Crown Dom.	2¼	1¼	2¼	nil	....	nil	nil	..	..
Imperial Oil	22⅝	15⅝	20⅜	.16	.49*	.65	1.25	6.2	25
Int. Pete. ..	39½	28½	35½	1.33	.16	1.49	2.50	7.2	24
McColl-Fron.	15⅝	11¼	12½	1.15	....	1.15	.80	6.3	11
Do., pfd...	100¾	94	97	14.35	....	14.35	6.00	6.61	7
North Star.	1.90	.60	1.10	....	....	nil	..	..	..
Do., pfd..	4.00	1.50	3.50	.43	....	43	.17½	5	8
Prairie Cities	2.50	.80	1.00	....	....	nil	nil	..	..
Supertest									
Ord.	31½	21¼	31¼	2.79	....	2.79	1.00	3.4	11.5
Com.	29	23	31½	2.79	....	2.79	1.00	3.4	11.5
A pfd....	115	110	108	117.91	....	117.91	7.00	6.3	.9
Thayers	6	2	2	.52	....	.52	.50	..	4
Do., pfd...	41	33	33	6.42	....	6.42	3.50	10.6	5

*Actual dividends received from International Petroleum were much higher than this but where dividend exceeded current earnings of Int. Pete. only portion actually earned was included. Dividend and yield of Imperial Oil and International Petroleum, it will be seen, are based on 60 cents a share from surplus of two companies for Imperial Oil and $1 from surplus of International Pete. for Int. Pete. Earnings from investments represent the most interesting future possibilities of B. A. Oil, Impèrial Oil and International Petroleum.

Note:—Amount of surplus of four chief companies per share or net working capital per share, whichever is lower, works out as follows: B. A. Oil, $3 a share in surplus, nothing in working capital; Imperial Oil, $3.81 a share including its proportion of international Pete's surplus; International Pete, $3.95 a share; and McColl-Frontenac, nothing a share for working capital after deducting bonds, but $5.50 a share of surplus.

British American Oil

British American Oil Co. is a fully integrated oil company. It drills for oil in the United States in Oklahoma, East Texas and Montana fields. It refines in Canada both east and west from modern refineries and it has been expanding production and sales even during the depression.

It has been a stock market favorite because of its record of dividend payments, expansion of production and its success in financing. Its fortunes have been guided with skill in good times and bad, and confidence of investors in its future is pronounced.

Formed in 1906

The company was formed in 1906. A holder of a share of $25 par value stock in 1909 would now have eight shares for the original share if he had "stayed with" the company and would be getting, at the present dividend rate of 80 cents a share, $6.40 for the equivalent of that original share. That would be more than 25 per cent on each share originally held. This takes no account of sale of "rights."

The company's 2,622,642 no par value common shares earned around $1 a share throughout the depression. It has earned nearly another 25 cents a share in its United States operations, but details of its drilling activities, the actual production obtained, the gross and net, the reserves for depletion and depreciation and estimates as to future prospects in the United States are withheld by the company. Some for that reason regard those operations as a potential danger to the company.

U.S. Venture Important

Others see in the United States venture the beginning of what they hope may some time prove a very profitable enterprise in the United States. It is profitable now but the objective is probably for greater expansion.

McColl Frontenac

McColl Frontenac Oil Co. refines and distributes throughout Canada industrial oils, lubricants, gasoline, kerosene and fuel oils.

It has two refineries at Montreal and Toronto and all the tank steamships, tank cars, service stations and trucks needed to supply its customers. It does not produce crude oil but it is now financing the development of acreage held in the island of Trinidad, and that operation is one of the speculative possibilities of the stock.

McColl Frontenac has only 660,000 no par value common shares outstanding but these come after $9.6 millions of first mortgage 6 per cent bonds and $7.9 millions of 6 per cent preferred stock of $100 par value. Bond interest and preferred stock dividends have hitherto been earned several times over and since 1928 common stock earnings have ranged from $1.15 to $1.92 a share.

Dividends were 60 cents a share through the depression until 1934 when they were raised to 75 cents a share. That was the year when $1.15 a share was earned. In 1935 payment reached 80 cents a share.

The company showed, at the end of 1934, no bank loans and it had $4.5 millions of working capital. The company is a merger of McColl Bros. of Toronto, an old, successful, and growing company, and Frontenac Oil Refineries of Quebec. It has well maintained its position and has recently sold 110,000 shares of common stock and 2,500 shares of preferred stock to finance its Trinidad venture.

Canadian Oils

Canadian Oil Companies, though incorporated in 1908, has not expanded as rapidly as the companies just discussed. It expanded sales in a sound manner from earnings mainly, until 1929, when money was obtained by the sale of common stock. The company has maintained a strong working capital position throughout the depression, has no funded debt and there are outstanding 143,764 no par value common shares preceded by $2 millions of 8 per cent preferred stock of $100 par value

The company earned the preferred dividend every year of the depression except 1932 when it earned $7.04 a share and earned more than the common dividend of $1 a share until the end of 1931. In 1931 there was nothing earned for common stock though $1 a share was paid. Since then the dividends have been 50 cents a share.

Sales have been gaining in 1934 and 1935 though in 1934 only 31 cents a share was earned of the 50 cents a share paid. The company has installed a new cracking plant in its refinery at Petrolia, Ontario, and is making a real effort to recover profits.

Supertest Pete

Supertest Petroleum Corp. has bulk storage stations, a tank steamer, and more than 500 service stations in Ontario and Quebec. It has no refinery, is not financing any venture to seek for crude petroleum and depends for success on the fact that it has its outlets in excellent territory and is able to "shop around" to get the gasoline it desires for its customers.

It has probably been no disadvantage to it hitherto not to have a refinery and not to have crude petroleum development of its own. This continent has been bubbling over with the products of superfluous wells and too many refineries. It was good judgment not to compete.

The company financed itself for expansion of outlets by sale of stock. It has four classes of stock: $287,800 7 per cent Class A preferred of $100 par value which may be reduced to $200,000 this year; $200,000 Class B 6 per cent preferred of $25 par value; 25,000 no par value voting common shares and 85,000 no par value shares of non-voting ordinary stock. Dividends on all classes of stock have been maintained and on the ordinary and common at $1 a share.

The company does not make public an income statement, but it is understood that dividends on ordinary and common were earned 2.57 times in 1934. Working capital has been declining somewhat in recent years but the reduction in preferred stock outstanding, in mortgages outstanding, and the financing of further expansion fully accounts for it.

The company's future depends on growing demand for its product and on ability to maintain adequate margin between purchases and sales prices. If duty disappeared, competition would be intense.

North Star

North Star Oil, Ltd., a distributor in the prairie provinces, has had a hard time during the depression. Like all other companies in its area collections became suddenly difficult when the price of wheat dropped below profitable levels for farmers and the latter could not pay bills to the full extent. Working capital of $547,000 at the end of 1928 gradually faded away and there was a deficiency at the end of 1934 of $300,000. In 1934 the company cut its estimate of value of accounts receivable by more than half. It has no funded debt or bank loan. Its Winnipeg refinery has a capacity of 15,000 barrels monthly.

The company has outstanding 200,000 no par value common shares with $1 million of 7 per cent preferred stock ahead of it. No common dividends have ever been paid but preferred paid 7 per cent until the end of 1932, 5¼ per cent in 1933, none in 1934 and 17½ cents in 1935. It plans to extend sales into the northwestern end of Ontario. Sales and collections have improved in 1935.

Prairie Cities

Prairie Cities Oil Co., distributing in the prairie provinces, has had to stand the gaff in the depression years of the decrease in purchasing power in town and country through the west but particularly in the country. It has not paid dividends since 1930 on 50,000 Class A non-voting no par value shares and nothing at all on 10,000 Class B voting no par value shares.

The company has a working capital deficit of $251,682, a secured bank loan of $118,847 and bonds outstanding of its subsidiary, Petroleum Realty Corp., for $437,500. It has been reducing these bonds gradually year by year.

As Class A shares are cumulative, Class B cannot participate in earnings until Class A dividends have been paid to date. By capital write-down, deficit has been eliminated and dividends could be paid, if earned. Class A is now a voting stock and will be until earnings permit dividends being paid up. The stock has been selling for less than the annual dividend payable whenever and if it can be earned.

Crown Dominion

Crown-Dominion Oil Co. distributes gasoline, oils and greases by wholesale and retail through Ontario west of Napanee. It increased outlets and sales in 1934 but had a small loss due to low prices. It had a small working capital deficit as well.

The company has outstanding 77,269 no par value common shares. It has paid no dividend since 1928. The record is therefore not such as to interest investors at the moment.

Receiver in Bankruptcy for W. B. Reid Tobacco

N. L. Martin has been appointed interim receiver in bankruptcy for the W. B. Reid Tobacco Co. Ltd., Toronto. The Reid firm was successor to H. R. Gerrie Tobacco Co. which went into bankruptcy and was liquidated. W. B. Reid, connected prominently with both companies, was a founder of United Cigar Stores, which were sold to Imperial Tobacco Co. of Canada.

Shares of H. R. Gerrie Tobacco Co., and later those of the Reid firm, were offered to the public. Charles L. LaBine, prominent mining man of Eldorado fame, was one of the directors of W. B. Reid Tobacco Co.

N. L. Martin has been granted a court order to carry on the business and to borrow money not exceeding $2,000.

Time for Bed

SLEEP REQUIRED BY THE AVERAGE CHILD

One of the most valuable things you can do for your child is to insist that he gets enough sleep. Make sure that he receives his full amount of Nature's great builder and restorer—sleep.

Age	Hours of sleep needed
At birth	20 to 22 hours*
At 6 months	16 to 18 hours*
At 1 year	14 to 16 hours*
2 to 5 years	13 to 15 hours*
6 to 7 "	12 hours
8 to 10 "	11 hours
11 to 12 "	10 to 11 hours
13 to 15 "	10 to 12 hours

*Including daytime sleep

(Compiled from U.S. Children's Bureau Folder 11, "Why Sleep?")

CHILDREN must have the proper amount of sleep in order to grow, to fight off disease, to become alert mentally and strong physically. Foremost child experts prescribe the definite amounts of sleep which children should have at various ages (shown in the chart). A child should be in the right frame of mind when he goes to bed. If he has been unduly excited, it is difficult for him to relax.

Adults, too, should have the proper amount of sleep. Each day they burn up tissue which rest helps to restore at night. During hours of physical and mental activity the body accumulates fatigue poisons which are thrown off in sleep.

Pain, worry, bad digestion are sleep-thieves. Prolonged loss of sleep makes one irritable and below par, mentally and physically. The tendency to insomnia may often be successfully combated in various ways—sometimes by taking a walk before going to bed—reading a non-exciting book—drinking a cup of hot milk, but above all, by learning to relax. Let go of every muscle, ease every tension, drop your problems until tomorrow and let yourself sink into the bed instead of holding yourself rigidly on top of it. Even though you do not actually go to sleep, such repose will bring a good measure of health repair. But when loss of sleep is persistent, a physician should be consulted.

Sleep sweeps away the mental cobwebs from tired brains, recharges wearied muscles, rebuilds worn tissue and gives the heart its nearest approach to rest. Send for a copy of our free booklet entitled "Sleep." Address Booklet Department 12-F-35.

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Canada Malting

I am considering the purchase of some Canada Malting Co. common stock. I am principally interested in a good return and I would appreciate your remarks on this company. What are the prospects of the stock rising in price?

Canada Malting Co. supplies a large section of the Ontario brewing trade with essential supplies. Since freer sale of beer started in Ontario, the company's domestic business has increased. In the last two years, earnings have been in the neighborhood of $3 a share annually, partly due to large exports of malt to the United States. This large export volume will not last. In future, the company will be dependent largely upon sales in Canada.

The company's financial condition is healthy and a large earned surplus has been built up. In the last seven years, earnings have averaged approximately $2 a share on the 198,972 shares of common stock outstanding. In the year ended July 31 last, the company earned $2.86 a share. Dividends of $1.50 per share have been paid regularly since the company was incorporated. Recently a bonus of 50 cents a share was declared. The regular dividend of $1.50 per share is well covered, but bonuses cannot be expected every year unless there is stabilization of earnings at $2 or better.

The prospects of an increase in the price of the stock depend on whether a more liberal sale of beer in Ontario results in stabilization or increase of profits. The company's business is one of stability, rather than sensations.

Riverside Iron

Will you please let me have an opinion on the first mortgage bonds of Riverside Iron Works? I would like to know if the bonds of this company are guaranteed by Dominion Bridge and whether or not interest is being earned.

Riverside Iron Works is controlled by Dominion Bridge Co. It has not issued a financial statement for several years, and there is no way of telling whether or not interest on the first mortgage bonds has been earned. At the end of October, 1934, the company had outstanding $180,000 of 7 per cent first mortgage bonds, on which interest and sinking fund payments have been made to date. These bonds are not guaranteed either as to principal or interest by Dominion Bridge, but in view of the fact that the majority interest in capital stock is held by Dominion Bridge, it is assumed that this company will keep the bonds of Riverside Iron Works in good standing.

Ford "A"

I hold some Ford A stock. In view of the rise in price during the past two years, would you advise selling at the present time?

It is doubtful if Ford of Canada has been earning its dividends fully, but the stock is still interesting because the company has been realizing its various objectives of production. It has come back into the production field in a remarkable manner and in an active period of business should be in a position to make large earnings. Now that it has achieved volume, it is probable that it will pay more attention to the profit end than it has done heretofore. It cannot be predicted, however, what earnings it may be able to obtain, so it is impossible to say definitely that the shares should be sold.

Loblaw Groceterias

I would be glad if you would give me some information on the current operations of Loblaw Groceterias. What are its prospects for a long hold?

Loblaw Groceterias has an excellent record in expanding business and in payment of dividends. Dividends have always been covered and the company's expansion programme has in the past proved sound. In the 24 weeks ended Nov. 16, sales were up 4.10 per cent over the same period of 1934, but profits were down 1.54 per cent. This is because physical volume of business has increased faster than the dollar value of sales. Recently, however, profits have been increasing. In the four weeks ended Nov. 16 profits were 12.53 per cent higher than in the corresponding 1934 period. If this trend continues an increase in profits will be shown in the 1935-36 year. The long-term outlook appears to be one of stability. The company is extending the operation of meat and vegetable departments in existing stores.

Abitibi Paper

I hold some bonds of Abitibi Power and Paper Co. I see that there has recently been a sharp advance in price. What is the reason for this advance? What are the future prospects of the bonds?

Abitibi Power and Paper bonds have been going up recently for two reasons. First, most of the newsprint companies have agreed on a price of $41 per ton for newsprint delivered at destination, instead of $40 which has been charged during the last few years. Second, the improvement in demand for newsprint in United States. It is hoped, therefore, that in 1936 the company may be able to make better earnings than in recent years.

So far as earnings to date are concerned, there is not room for much optimism. The bond interest has not been earned, and earnings will have to show a marked advance if the reserve for depreciation is also to be provided for.

On the long view there is some reason for optimism. At a time when demand is brisk and prices higher the company might make a good comeback. Internal financial problems which brought about receivership and bankruptcy are gradually being settled. The situation, however, is not yet clear enough to warrant reorganization.

Canadian Wineries

As a subscriber to your paper I would appreciate some information on the current operations of Canadian Wineries. What are its prospects for the future?

Canadian Wineries' earnings have been considerably reduced in the present year. It is believed that the 20-cent dividend, which has been paid for a number of years, has probably been earned. It is not likely, however, that a payment will be made at the end of the year. The directors are understood to favor reducing the company's bank loans which have been incurred on account of the new Lewiston plant and to keep the liquid position strong until the full scope of the United States venture is evident.

Operations of the Lewiston plant are reported to be encouraging. Actual sales in Canada have been lower because of freer sales in Ontario for ale and beer. Under present management the company's position has improved in the last two or three years, but the next year or so may prove critical in its fortunes.

Laura and Fanny

I am thinking of buying some Fanny Farmer common stock, having in mind the success in this country of Laura Secord. While I realize that Fanny Farmer stock has already had a good appreciation it still compares favorably with Laura Secord. From a study of the annual statements of the two companies I have concluded that Fanny Farmer has a better record as to gross earnings and sales per store. Fanny Farmer is selling at about 12½ times gross earnings, while Laura Secord is selling at about 19 times earnings. I am not asking you to advise me whether or not to buy the stock but would like to have you check my figures.

Fanny Farmer may earn $1.25 a share this year, so that it is only selling at about 10 times gross earnings. Laura Secord earned nearly $4 a share in its last fiscal year, so that it is selling at about 16 times earnings.

You must remember that the Laura Secord income and operations have become fairly well stabilized. Earnings are steady. Fanny Farmer is a younger firm, and suffered more severe recession of volume in the depression. Also, however, it is operating in the United States, and so has great expansive possibilities. The high Fanny Farmer earnings this year make a new record. They may be more subject to both increase and decrease than the Laura Secord earnings. Last year, Laura Secord operated on a volume of about $21,000 a store, whereas Fanny Farmer had a volume of over $24,000 a store.

Fort William

I am considering the purchase of Fort William bonds. Do you consider these a reasonably safe investment? Is this city in good shape with respect to relief expenses, industries and debt?

Fort William has a debenture debt of $7.6 millions and a sinking fund of $3.8 millions, making net debt of $3.8 millions. Sinking fund arrears last year amounted to $335,000. Other liabilities were $219,000 bringing total debt up to approximately $4.4 millions. Accumulated tax arrears amounted to about one-third of the year's revenue, which is not an unfavorable showing.

The city's relief burden, of course, will depend largely upon what policy the Ontario Government adopts in making grants for relief purposes to municipalities. The city's bonds are not regarded as in the front rank of municipal securities, and so yield more than better known municipal issues.

Regent Knitting Mills

Can you give me some information on Regent Knitting Mills Ltd? What is its capitalization? What are the dividend prospects? I understand that sales are improving.

Regent Knitting Mills has 65,009 common shares outstanding, ahead of which are $372,500 of 6½ per cent first mortgage bonds due 1942 and $400,000 of $1.60 non-cumulative redeemable preferred stock of $25 par value.

No dividends have yet been paid on the preferred and common stocks. Since 1928 the earnings position has been somewhat checkered. In 1934, however, bond interest was earned 2.66 times after depreciation. The recovery in 1934 was encouraging, but at the end of the year there was still a deficit of $11,007 to make up before dividends could be considered.

This year, sales have been rising in the autumn months, and may overtake earlier declines. At the end of the year, net profits may be slightly higher and bank loans somewhat lower than last year. There will also be a small reduction in funded debt.

Dominion Stores

Will you kindly give me some information on the present position of Dominion Stores?

Dominion Stores sales have been running somewhat below those for the same period in 1934. The decline in sales is not much greater than the decline in the number of stores. The company is now believed to be earning something, but it is suffering keen competition in the Montreal area where it operates a large number of stores.

This year has been one of rehabilitation for the company and heavy charges have been made against surplus account. When the annual report appears after the end of the year, it is expected that little or no profit will be shown although the company's financial position will be improved.

Renovation of the company's stores and equipment as well as revision of merchandising methods is expected to have good results as time goes on. There is, of course, little prospect of a dividend payment until next year, and any payment will depend on results.

Stop & Shop

We would be pleased to receive any recent information you may have concerning Stop & Shop Ltd. We are particularly interested in knowing if there has been any talk of the company passing its bond interest. What is the company's position with regard to current sales? What is the equity behind each $1,000 bond?

This year's developments in Stop & Shop have been unfavorable. In the spring and summer, the company's sales and profits shrank. This was attributed to the adverse effect of the Price Spreads investigation. Since summer, there has been some improvement. It is questionable, however, whether gains have been sufficient to offset earlier losses.

Bond interest has been paid so far, but, coupled with poor earnings, the effect has apparently been to reduce working capital further. Hence, there has been some apprehension over the April 1, 1936, bond interest, as is indicated by the decline of the bonds under 50. A great deal depends on business in the next few months. The equity behind each $1,000 bond as at Feb. 28 last was computed at $2,139, which, however, may not be a good guide to real value.

Hamilton By-Product

I am thinking of purchasing a $1.000 five per cent first mortgage bond, Series A, of Hamilton By-Product Coke Ovens Ltd. at 99½ for family investment purposes. I am of the opinion that it is a safe investment for that purpose, but would appreciate hearing from you. I would appreciate what suggestions you can give, particularly as to how well the issue has sold on the market.

The management of Hamilton By-Products Coke Ovens Ltd. estimates that for the year ending March 31, 1936, net earnings before deducting bond interest and discount will be $420,000. This will be available to pay first mortgage interest of $125,000 and general mortgage interest of $65,000, which, therefore is well covered.

You ask how well the issue has sold on the market. One firm of the local selling group states all bonds have passed out of the hands of the original underwriters, and they have had to buy bonds back from some of the secondary dealers to supply demand from their own clients. It is understood that a great deal of this issue is already in the hands of the ultimate holders and we are told that the floating supply in Toronto is low.

The Woman Investor

Choosing a Broker

The story is told in Toronto financial circles of the widow of an important and wealthy Canadian industrialist, whose estate has dwindled to negligible proportions in five years.

The income from first grade securities left at the time of the husband's death was ample to maintain his widow comfortably, if not luxuriously, for the remainder of her life. Most of it consisted of shares in the company in which the husband had risen to affluence and executive prominence.

On his death, the widow was approached by several stock salesmen, anxious to assist her in doubling the value of the estate by speculation—and incidentally collect a commission. Among them was one who impressed her to such a degree that she exchanged her first grade industrial stocks for shares of a highly speculative character.

"Such a Nice Young Man"

The result is what might be expected. She no longer has sufficient income to maintain her; and her only apology to a group of astounded relatives is that the stock salesman "was such a nice young man."

It is an extreme case, and does not represent the average woman investor. But it illustrates the necessity of all investors forming investment connections, and securing advice only from highly reputable sources.

Reputable Firms

The most effective way of doing so is to deal only with financial firms of recognized standing, either members of recognized stock exchanges, or firms with a proven record of success.

One correspondent of The Post writes, "As I know practically nothing of how to analyze stocks even if I had their financial statements, and I have been taken advantage of by people serving their own interests, I have come to you for advice."

The letter emphasizes the need of caution in forming financial connections. The Post does not, however, make recommendations regarding the purchase of individual stocks. It can only direct the correspondent to seek such information in sources known to be responsible, ethical, and financially sound.

In share trading, as in any other business contact, the principle of safety is obtained, as far as possible, by dealing only with well-known and long established firms. Contacts with stock exchange member firms may be made on the recommendation of a bank, trust company, or other source known to be familiar with these concerns.

To accept the first solicitation from a firm unknown in banking or trust company circles is an unnecessary risk.

There are many prominent and long established financial houses without membership on the stock exchanges, but these too are well known to any bank manager or trust company officials.

Most of them deal in government bonds and other high grade securities not listed on the stock markets.

If speculation or investment in common stocks is the object, however, the main rule of safety is to deal with firms which are members of stock exchanges on which such shares are listed.

Operations Regulated

Operations and business methods of brokerage firms, which are members of the Toronto, Montreal, New York or other leading stock exchanges, are carefully supervised by exchange rules and regulations, and these brokerage houses are known as "Member Firms." There are also "Approved non-member" firms, with whom member firms transact business.

The member firm or broker, as distinct from brokers with promotion interests of their own, has one function. It is to transact business, on behalf of their customers, on the stock exchange in the best interests of the customer.

A Service to Customers

To do so they maintain a costly central market-place for securities; in other words, a stock exchange; they also maintain efficient clerical staffs, mechanical, and telegraphic equipment for the service of their customers; and they have an official daily list of transactions which their customers may see as evidence of actual prices at which securities change hands. They also maintain statistical staffs whose duty it is to be thoroughly familiar with the position and prospects of companies whose shares are publicly traded.

The costs of these and other facilities, maintained so that brokers may transact their customers' business, are met by commissions charged to the customer. The profit to the broker lies in his commissions which, in volume, enable him to meet his own expenses and earn a profit. Ethically, he can have no other source of income except trading for his own account on the stock exchange.

Broker is an Agent

The broker, therefore, is an agent acting for his client, and is paid for his services in the form of commission.

If, for example, an order is given to buy stock "at the market," it is the duty of the ethical broker to buy it at the lowest current price available. If the order is to sell, he must sell it at the highest price obtainable at the moment. If a stipulated price is named, the broker carries out his instructions to buy or sell at that price only.

Commissions

In either event he collects, as proper remuneration for his services, a commission depending on the amount and value of the shares involved in the transaction.

The broker-member of a recognized stock exchange also assumes the risk of his client in completing the transaction. Once he has accepted the client's order and money, he is bound to carry out the transaction, even though it means a financial loss to him.

In this way, if a client gives an order to buy 100 shares of stock and his broker fails to receive the stock from another broker (through default or other reason) from whom he has purchased it on behalf of the client, the purchasing broker, not the client, is responsible. He may have to complete the transaction at a personal loss, but the client gets the stock, providing the order to buy has been accepted by the broker previously, and the money paid or guaranteed for payment.

That is the sole function of the ethical broker; to transact the business of his client to the client's best interests.

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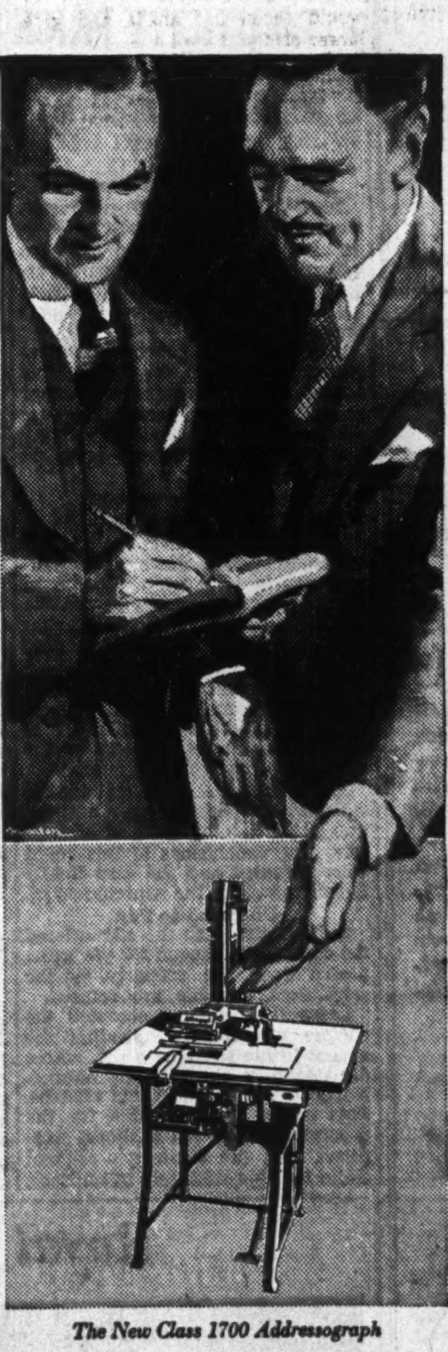

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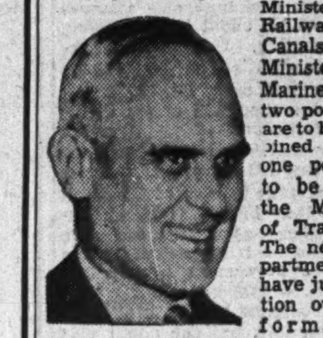
Federal Railway Control —

Minister of Transport Won't be "Rubber Stamp" for Trustees — Favors Non-Compulsory Co-ordination

By Hon. C. D. Howe
Minister of Transport for Canada
An Address to the Toronto Railway Club

It should, I imagine, be quite in order to permit a Minister of Transport to rove about a bit in his first address as such.


HON. C. D. HOWE

My present position is that of Minister of Railways and Canals and Minister of Marine. These two portfolios are to be combined into one portfolio to be called the Ministry of Transport. The new Department will have jurisdiction over all forms of transportation, and it is hoped that some means may be found of correlating these in a way that will make each of them more prosperous.

Progress Without Profit

At the moment, newer forms of transportation are making serious inroads on older forms without finding any particular degree of prosperity in the doing.

The one encouraging fact is that each form of transportation seems to appreciate that something should be done in this direction, and I anticipate a maximum of help from those in responsible charge of the various branches of the industry.

I am inclined to think that there is a lack of understanding of the relationship of the Minister of Railways to the railways generally and to the Canadian National Railways in particular.

Duty to all Railways

In the legislative sense, the minister has to do with all Canadian railways, the privately-owned as well as the government-owned and where the word "Minister" occurs in the Canadian Railway Act it means Minister of Railways.

In general, the Minister of Railways has a responsibility in parliament for all railways operating under federal charter, and, in the consideration of railway policies as embodied in bills before parliament, he is bound, in committee as well as in the House, to have regard to the just requirements of the privately-owned lines as well as of the Canadian National.

Departmentally, of course, the minister, in theory at least, is supposed to exercise a measure of control over Canadian National Railways.

Trustee Control

The 1933 legislation which abolished the board of directors of the C.N.R. and substituted the trustee form of direction and control went further.

It removed control of this directing agency from the hands of the government and placed it in the hands of parliament—jointly in the two houses of parliament.

It went still further:

"The trustees shall appoint, on terms to be fixed by them, and with the titular rank of president" a chief operating officer. Over such an appointment the government of Canada, directly representing the owners, has, under present legislation, no control whatever. The act expressly provides that "The president shall report and be responsible to the trustees and to them alone."

Must Find Money

Deprived thus of voice in the direction and control of the most important public utility in Canada, the government is expected, nevertheless, to find all the moneys required for income deficits and capital expenditures of the railway.

It must also accept, with as good grace as possible, all criticism concerning sins of commission or of omission on the part of the railway management and the trustee body.

This system of remote control does not, it seems to me, accord with the principle of governmental and ministerial responsibility which is supposed to govern the administrative acts of all departments of government.

Not a Rubber Stamp

Personally, I have no objection to accepting complete responsibility for ministerial and departmental policies in the making of which I have a voice, but I have decided objection to assuming responsibility for matters of such grave importance in the direction and control of which the Minister of Railways is evidently expected to be more or less of a rubber stamp.

No Personal Aspect

In saying this, I wish it to be distinctly understood that I am referring to the principle, and not to the personal aspects of the present situation.

I do not wish it to be inferred that I have, as Minister, any lack of confidence in the operating president of the Canadian National lines.

Neither the government nor the Minister of Railways has any desire, nor any intention, to interfere with the operation of the Canadian National Railways.

It will be the duty of the present government, in the public interest, to seek some more suitable and satisfactory system of direction and control of our great railway investment.

The purpose of the trustee form of management was to take the railway out of politics. I wish that this were possible. As Minister of Railways I have no desire to interfere with the expert management of the road, nor to allow any member of parliament to do so.

Co-operation

While the Canadian National and Canadian Pacific Railway Act which created the trustees provides for co-operation between the two railways, even to the extent of making that co-operation compulsory, no important measures of co-operation have taken place since the Trustee board took control.

Personally, I favor any form of co-operation that does not result in scrambling the properties, but I do not believe that the right kind of co-operation can evolve from compulsion.

Rail Prosperity Essential

Prosperity of the railways always has and always will be directly linked up with the prosperity of Canada. The railway difficulties of the moment are, of course, due to lack of traffic. If traffic were available railway revenues would improve, railway employment would look up and the increased impetus would be felt from one end of Canada to the other.

I am not sure that all possible means of meeting truck competition have been exhausted. The rapid development of the automotive industry calls for your most serious consideration of improved methods of railroading.

I hope that some reasonable method of regulating truck traffic will be discovered, but I ask you not to rely on this too heavily. The main purpose of all forms of transport is to give the best possible service to industry, and to the people of Canada, and we must be sure that the railroad is doing all it can to that end.

I take over the department of transport with the feeling that all its branches can look forward to more prosperous days. There is still the problem of restoring the shattered morale of our vast army of railway employees. I sincerely hope that within my term of office a sense of security can be restored to railway employees and that every grade of employee can be made to feel that he is an important part of a highly efficient transportation machine. I hope that before I leave office the time will come when railways are not referred to as a problem.

TRINIDAD COURT ADDS $528,400 TO UTILITY PRICE

Port of Spain to Pay $2.1 Millions for Electric Company

From Our Own Correspondent

MONTREAL.—The Nova Scotia-controlled Trinidad Electric Co. is entitled to $528,400 more than the valuation set upon the company's assets by arbitrators, according to a decision handed down by Trinidad Supreme Court.

This figure, the court said, represented the cost to the company of acquiring its franchise and other assets. It had not been taken into account by the arbitrators in fixing the municipal purchase price at $1,604,195.

Will Transfer System

The decision, according to a dispatch, will not affect the transfer of the company's power and tramway system to the municipality of Port of Spain on January 1 next. The city's cheque for $1.6 million has been accepted provisionally pending the conclusion of the litigation.

When the Trinidad Electric Co.'s franchise expired about five years ago, the municipality of Port of Spain exercised its rights under the contract to acquire the property.

Following a disagreement as to the valuation of the property, a decision was left to a joint board of arbitrators. The conclusions of this board were disputed and the case finally found its way to the supreme court.

Obligated to Pay

A short time ago the city offered the company a cheque for the value placed upon the property by the arbitrators, but this was refused.

Later the company accepted the cheque provisionally, pending the appeal to the supreme court, whose decision now obligates the municipality to pay an additional $528,400. This makes a total value for the property of over $2.1 millions, compared with the company's original claim for approximately $3 millions.

4 Harbor Boards Reduce Own Powers

Orders-in-Council have been issued at Ottawa confirming the repeal by four harbor commissions of by-laws under which they held their former authority to sign cheques, drafts, and bills of exchange. The four commissions concerned are those at Saint John, Halifax, Quebec and Vancouver.

The four commissions, by repealing former by-laws, have removed their power to sign money documents. This change is necessary because of the altered form of harbor administration, which will henceforth be operated under a central board responsible to the Dominion government.

Can. Crushed Stone Co. Seeks $15,300 of Bonds

An offer to purchase first mortgage bonds of Canada Crushed Stone Corp., of Dundas, Ont., for sinking fund purposes has been made by National Trust Co., trustee for the bonds. The trustee, according to an official announcement, has the sum of $15,300 on hand for investment for sinking fund purposes.

Offers of bonds for sale will be received by National Trust Co. at its Hamilton office up to Dec. 20, 1935. Delivery of bonds and payment in Canadian funds will be made at the office of the National Trust Co. Hamilton.

Highland Scotch Distillers Becomes J. A. Forrest Co.

Highland Scotch Distillers, Ltd., will hereafter be known as the James A. Forrest Co. (Distillers), Ltd. with James A. Forrest as president and managing director. This follows the acceptance by shareholders at a meeting on November 30 of Mr. Forrest's proposals for taking over the business.

Mr. Forrest took the presidency of Highland Distillers in 1934. Before that he was for 17 years with the Packard Ontario Motor Co. He was secretary-treasurer of the company when he left it in 1934. He is a past president of the Thornhill Golf Club and a member of both the Progress and Granite clubs in Toronto.

Highland Scotch Distillers was a promotion of the late Colonel J. A. Currie. It has passed through several reorganizations or attempts at revival.

MONTREAL POWER EXPANDS OUTPUT FOR FIFTH TIME

Electric Production Shows Further Monthly Gain — Gas Decreases

From Our Own Correspondent

MONTREAL. — Montreal Light, Heat & Power Cons. reports that for the fifth consecutive month output of electricity for local consumption shows a moderate gain over last year's figures.

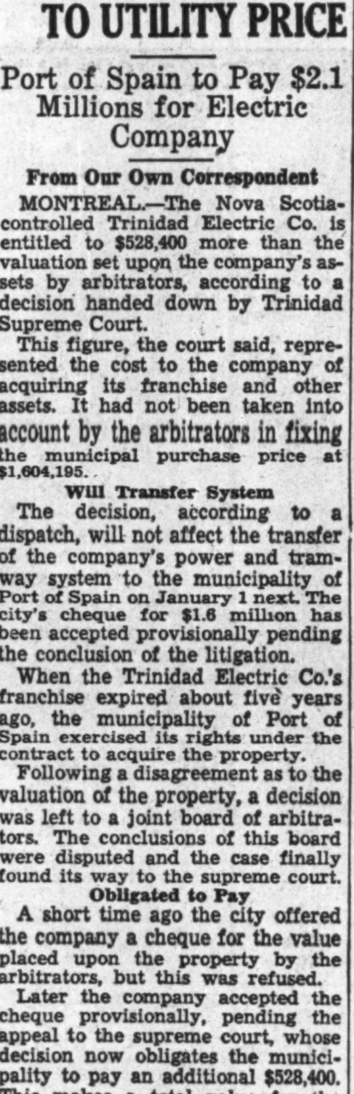
Output for November this year totalled 94.8 million kw.h., an increase of 3.64 per cent over the same month last year and 6.5 per cent more than for November, 1933.

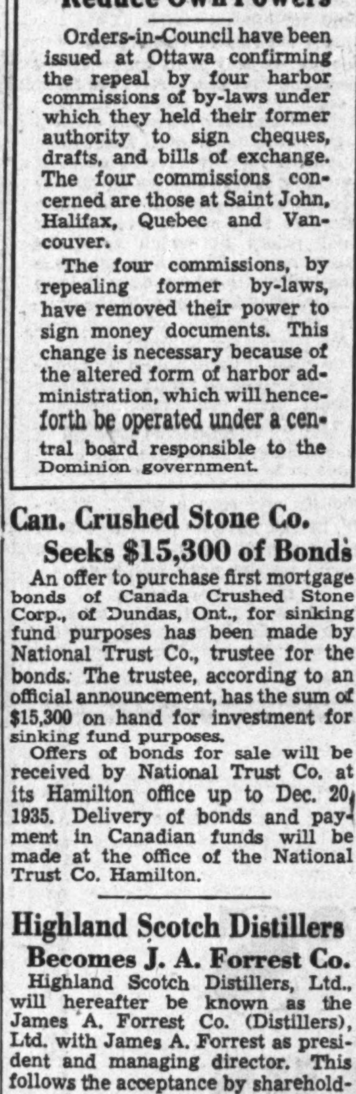
For the first eleven months of the current year, Montreal Power reports an output of 923.3 million kw.h. This represents an increase of 2.32 per cent over the corresponding eleven months period in 1934 and 11.52 per cent higher than the 1933 figure.

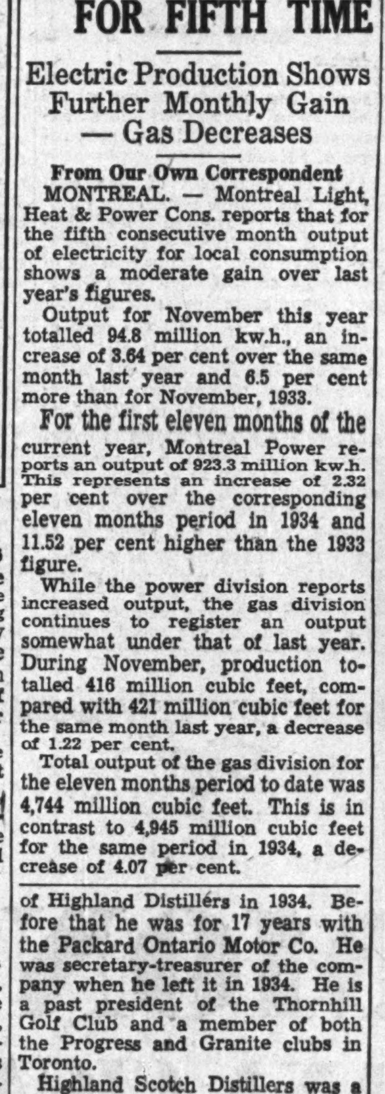
While the power division reports increased output, the gas division continues to register an output somewhat under that of last year. During November, production totalled 416 million cubic feet, compared with 421 million cubic feet for the same month last year, a decrease of 1.22 per cent.

Total output of the gas division for the eleven months period to date was 4,744 million cubic feet. This is in contrast to 4,945 million cubic feet for the same period in 1934, a decrease of 4.07 per cent.

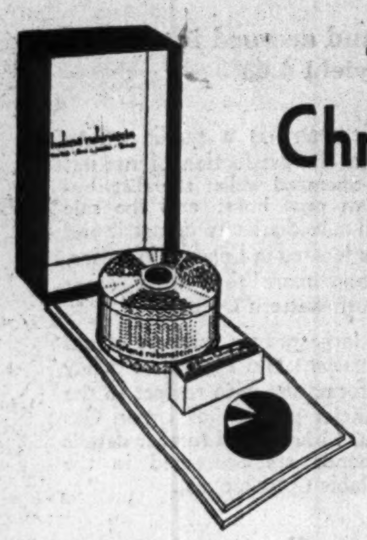
Royal Bank Appointments


B. L. MITCHELL


JAMES MUIR


H. G. HESLER

Who have been appointed assistant general managers of the Royal Bank of Canada. Mr. Mitchell will retain his present office as supervisor of Ontario branches; Mr. Muir was formerly general inspector, and Mr. Hesler was secretary. All three have been engaged in the banking profession since boyhood, having worked their way up through the ranks. And all have served the bank outside Canada: Mr. Mitchell in Newfoundland, Mr. Muir in the United States and Mr. Hesler in Cuba.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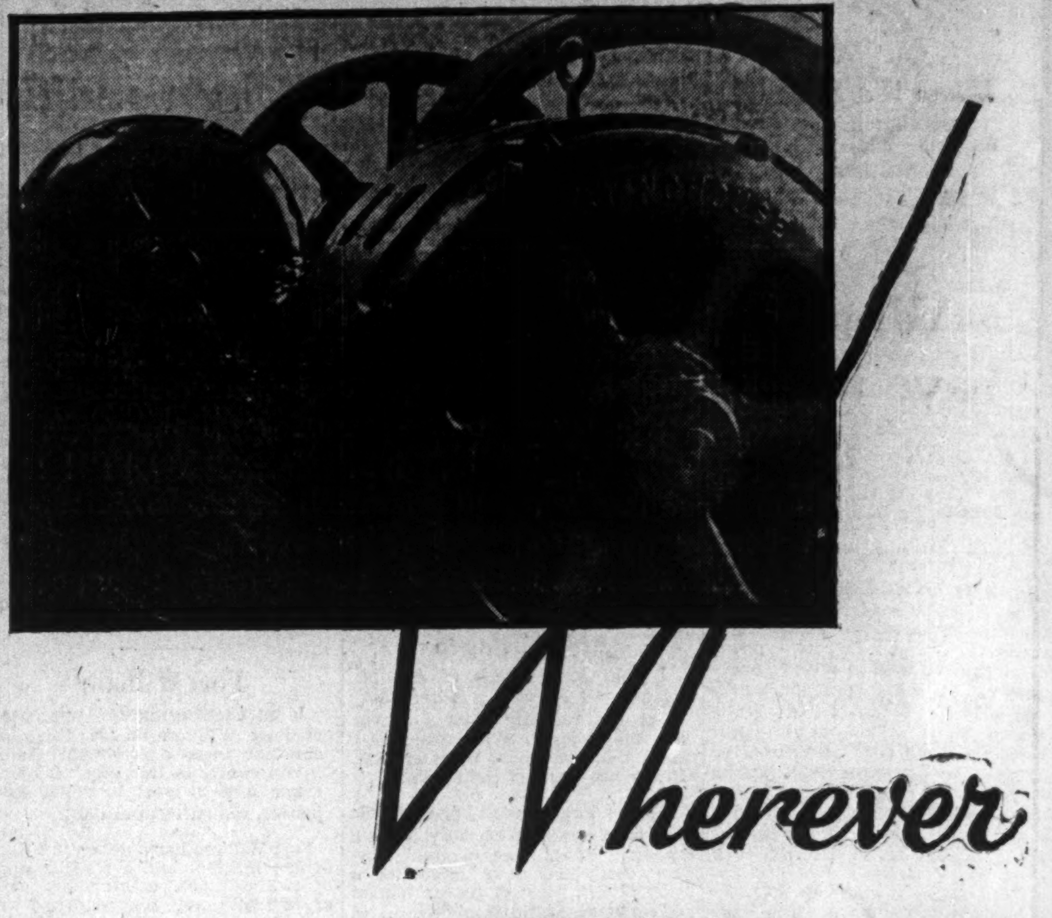
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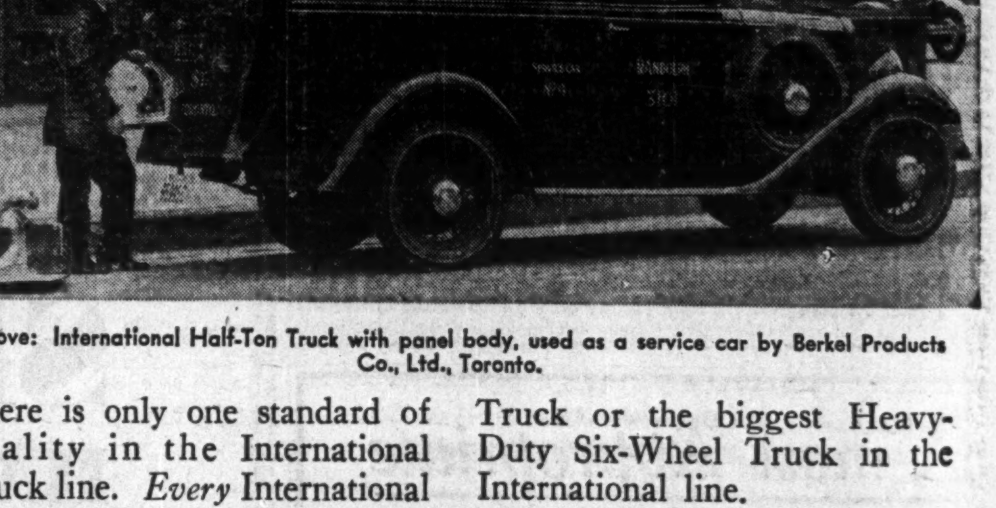

Above: International Half-Ton Truck with panel body, used as a service car by Berkel Products Co., Ltd., Toronto.

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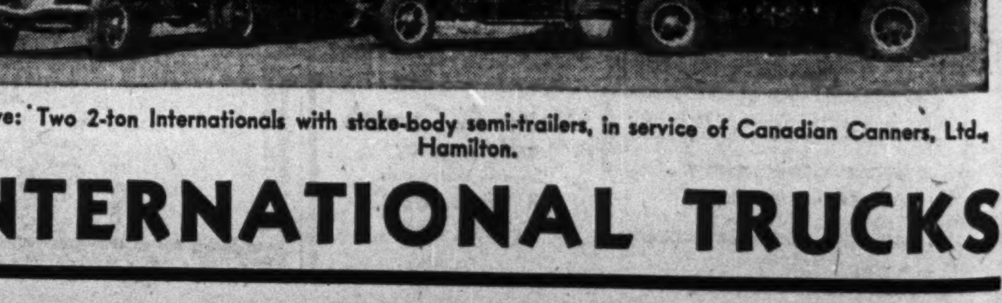
Above: Two 2-ton Internationals with stake-body semi-trailers, in service of Canadian Canners, Ltd., Hamilton.

INTERNATIONAL TRUCKS

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FP

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Duncan of Massey-Harris

New General Manager Knows Company's Business Intimately on Four Continents—Born in France

JAS. S. DUNCAN

James S. Duncan, Jr., who has just been appointed general manager of Massey-Harris Co. to succeed B. W. Burtsell, has arrived at the distinction of being an entirely modern executive at 42 years of age by following a thoroughly old-fashioned practice.

He grew up with the company, as most successful industrialists, ancient and modern, have done; in fact, he was practically born in it because his father was an important personal factor in the company and from the day he was born the success of Massey-Harris Co. had an important bearing on the fortunes of the son. The company and its products were table talk for as long as he can remember.

The new general manager was born in Paris, France, of Scottish parents. His father operated a business in France and was the first to introduce the Massey manufacturing line to that country in 1887. Later his business became the Paris branch of Massey-Harris Co. with Mr. Duncan still in charge.

Goes to Berlin

So James S. Duncan was born in Paris, and got his education in French schools up to the age of 16, when he went to Germany to study German, and at the same time entered the service of the German branch of the company in Berlin. Later in 1910 he was brought to Toronto by the late Sir Lyman Melvin Jones to work in the factory and study every individual job that goes to the making of farm machinery. He stayed in the shops for three years and then moved into the Ontario branch office for some months.

Back to France

Mr. Duncan might have stayed in the Ontario branch office longer, but for the outbreak of war. The Frenchmen in the Paris office were called to the colors and Mr. Duncan's knowledge of French and France made his services very desirable at that point. During the first year of the war he travelled continuously in France, looking after collections and sales, and then joined the British army in the ranks. He became a captain in the field artillery, 16th (Irish) Division, and finished the war as captain and adjutant.

After the war Mr. Duncan rejoined Massey-Harris Co. at the London office and travelled throughout Europe for the company. His ability to speak French, German, Spanish and some Italian aided him materially in successful salesmanship of farm machinery and led to his being appointed assistant to the European general manager in London.

Manager for Argentina

In 1924 Mr. Duncan was appointed assistant manager in Paris, and in 1925, on the death of his father, he became manager of the French business with headquarters at Paris.

European headquarters were transferred from London to Paris when Massey-Harris Co. established plants in France and Germany.

In 1929 Mr. Duncan was made joint European general manager, particularly in charge of sales, and in 1931 European general manager in charge both of manufacturing and sales.

In the autumn of 1932 he was transferred to Buenos Aires as general manager for the Argentine, where his knowledge of Spanish, farm implements, and machinery all contributed to another success.

Last March the company brought Mr. Duncan to Toronto as general sales manager. In May he was made assistant general manager, and now he steps to the front as general manager.

New Phase Begins

The appointment emphasizes a new phase now developing in the fortunes of Massey-Harris Co. When agricultural prices started on a long toboggan slide in 1929 the company had a very large inventory built up to meet a world-wide demand of boom proportions. As it sold on credit in Canada, and to a certain extent elsewhere, that period of sliding prices found it also with huge assets in accounts receivable owed by thousands of farmers who were good pay in 1929 and very slow pay from no fault of their own in 1930, 1931, 1932 and 1933.

But Massey-Harris was geared to supplying a market based on 1929 requirements. It owed the banks many millions of dollars. For four years its main business became collections and selling the large inventory. The directors asked T. A. Russell, president of Russell Motor Car Co. to accept the presidency in this period, and B. W. Burtsell, former president of MacKinnon Industries, was appointed general manager.

A Difficult Period

These men were faced with a task of great difficulty. The company's future depended on its expenses being brought down to the irreducible minimum, while accounts and inventories were liquidated.

Personnel had also to be reduced, always keeping in mind the need of retaining key men in every department of the world business, so that a forward move could be made when recovery began. A most intimate study had also to be conducted of the changing needs of farmers in readiness to supply machinery that would help them solve their problems in the harder times.

It was in this crisis that Mr. Burtsell's outstanding qualifications as an organizer, his broad experience, and his splendid mechanical background were of particularly high value. Under his direction inventories were reduced, a large volume of receivables liquidated, and expenses drastically cut down, so that bank borrowings were paid off and the decks generally cleared for action when the turn for the better came.

But his health suffered under the strain. He was taken seriously ill last spring and needed an extended period of rest. He recently informed the board of directors that he was unable to continue his active duties as general manager. He will remain as director and vice-president, however, where his advice and services can still be utilized.

Ends Meet in Europe

Because there is no one in Canada so well informed as to the farm machinery industry in Europe, a representative of The Financial Post asked Mr. Duncan whether or not that portion of the company's business is still regarded as having prospects for important recovery.

Some time ago the board decided that the European ventures would have to stand on their own feet. Once Europe imported large quantities of Massey-Harris implements. Then various governments decided to make such implements themselves under tariff protection. Export of Canadian machines became impossible owing to customs, exchange and other restrictions. Massey-Harris had to choose between giving up its organization in Europe or manufacturing there. It chose the latter and established plants in France and Germany.

"Europe is an important agricultural implement market," answered Mr. Duncan to The Post's questions. "It has had a bad setback because of political and economic conditions, but the opportunity of doing business is still there. It is, of course, a European business entirely now.

"The Canadian factories no longer supply any considerable portion of European needs though the company still supplies the British demand from Canadian factories. The French and German factories are the core of the European business. They are standing on their own feet and are no drain on the parent company. As it has accomplished that much during business times as hard as the present in Europe, it is hoped that they will be no longer a drain."

Must Know Markets

In Europe, as elsewhere, the Massey-Harris business had to be based on a first-hand acquaintance with farming conditions and needs. The customs of trade, the crops, the sizes of farms, and the implements demand different handling from country to country, and almost from district to district. From branch to branch methods of doing business differ and have to differ. The company trades directly with the farmers in North Africa, for instance, and through large general distributors in the Balkans, Sweden and Norway. In Denmark, France and Germany it deals through its own organization, which in turn distributes through various small dealers.

"With United States and European needs being supplied from plants in Europe and the United States, the chief outlets for our Canadian factories continue to be Canada, the Argentine, England, South Africa, and New Zealand. The unfortunate drought in the Argentine and the disappointing yield and grade in many parts of Western Canada have resulted in the last half of the year showing less improvement over previous year than we had expected," said Mr. Duncan.

"The Argentine is one of the best export markets for the company. It is in the business of growing wheat permanently."

Diversifies With Farmer

Mr. Duncan declined to express an opinion with regard to wheat surpluses and their effect on prices from year to year. Wherever farmers switch to other crops or to mixed farming the company aims to help them in their new problems as it has done and does when they extend acreage in wheat. It has given special attention recently to cream separators, and plans to diversify its products just as much as the farmer does his.

To conclude, Massey-Harris Co. is once again in full swing as a manufacturing and selling organization. It is giving consistent and full-time research to the question of improving old types of implements and machines and of devising new ones.

It is still manufacturing for farmers in five continents, but its main business will continue to be in the Western Hemisphere.

It is therefore significant that at this stage the new general manager is one who has had actual intimate acquaintance with sales and needs on four continents. He is in the prime of life, spare, full of nervous energy, ready for any task and it is reasonable to expect that his best years are before him. During those years his experience fits him to superintend development of export and foreign business as well as domestic.

Walker-Gooderham & Worts Sales Are Five Times Total In Pre-Depression Peak Year

Profits in 1929 Exceeded Those of 1935, However—Spent $17.7 Millions in United States to Get Huge Increase in Sales

Hiram Walker-Gooderham & Worts sold in the year ended August 31, 1935, more than five times the volume of goods it did in 1929, the pre-depression banner year, but its net profits were not as high. It sold more than twice the goods it did in the fiscal year 1934 and its profits were about 15 per cent more. Net profits are more than ten times what they were in 1932 and 1933 and to that extent the United States venture is proving a happy one.

The cost of making sales has grown considerably. The company has made a huge investment in the United States, borrowed $7.6 millions from the banks and built up a large inventory. The ratio of expenses to profits may decrease when the company has discovered what its potentialities are in the United States market but in the meantime it is bending every effort to increasing its sales in every part of the union.

Listing Its Stock

The company has applied for listing on the New York Stock Exchange of 460,818 no par value cumulative preference shares and 824,140 no par value common shares, of which there are only 660,000 common shares outstanding. It has also filed with the Securities Exchange Commission a registration statement in connection with its sale to Hornblower & Weeks and associates of $8 millions of 4¼ per cent convertible debentures due 1945.

The statement shows that of net proceeds of this issue $7.45 millions will be applied by Hiram Walker & Sons Distilleries, Inc. to payment of unsecured loans from the Guaranty Trust Co. Hiram Walker-Gooderham & Worts loaned to its subsidiary, Hiram Walker & Sons Distilleries, Inc., $15.7 millions. The latter company loaned from this amount and from its own capital funds $17.7 millions to its subsidiaries to acquire plants, properties and facilities and to establish working capital.

Stock For Conversion

The company has set aside 164,140 common shares to look after the convertible features of the debentures at from $40 to $60 a share.

The debentures are redeemable to December 1, 1938, at 104, to Dec. 1, 1939, at 103½; to Dec. 1, 1940, at 103; to Dec. 1, 1941, at 102½, to Dec. 1, 1942, at 102; to Dec. 1, 1943, at 101½; to Dec. 1, 1944, at 101 and thereafter at 100.

In May, 1935, the United States customs bureau indicated that the United States government was investigating the question of the liability of the Canadian subsidiaries of the company for importation of liquor into the United States prior to repeal of prohibition on Dec. 5, 1933. The company has disclosed to U. S. and Canadian counsel the pertinent facts as known to it and is advised that no such claim could be successfully pursued in their opinion on the facts presented.

Fiscal years ended Aug. 31	Net sales	Operating profit	Other income	Interest	Depreciation	Income taxes	Net profits
1935	$45,353,270	$4,379,099	$218,530	$216,025	$567,939	$327,353	$3,486,412
1934	21,071,348	3,970,664	409,582	59,887	268,589	1,026,028	3,025,742
1933	3,666,469	347,619	269,921	9,632	231,580	37,216	339,111
1932	2,431,386	86,384	406,127	13,173	224,081	3,633	251,622
1931	3,275,383	948,095	467,349	11,875	342,687	105,913	934,969
1930	6,545,881	2,412,022	696,597	7,500	343,953	257,432	2,499,731
1929	8,615,663	4,219,264	283,015	8,037	376,574	334,355	3,783,312
1928	7,603,876	3,748,286	110,940	97,930	318,917	282,766	3,159,612

Canada Bread Pays $1 On New First Preferred

Canada Bread Co. will pay an interim dividend of $1 a share on the new 5 per cent cumulative preference stock on January 2, 1936, to shareholders of record December 14, 1935. The stock is cumulative from July 1, 1935, and will be in arrears 50 cents a share on January 2. A dividend of $1 was paid on October 1 on the $1,250,000 of this $100 par value stock outstanding.

No dividends have yet been declared on $1,250,000 Class B 5 per cent preference shares of $50 par value which are also cumulative from July 1, 1935. These shares will be in arrears $1.25 a share on January 3, 1935.

Paramount Net $737,791 Is Third Quarter Result

Estimated net earnings of Paramount Pictures, Inc. for the third quarter of 1935 are $737,791 after expenses, federal income taxes and debenture interest.

Adverse effect of studio reorganization undertaken early in the year will be reflected as well in earnings of the fourth quarter, it is stated.

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M. & O. PAPER CO. SALES IMPROVE PROFITS HIGHER

Receivership Operations to Show Profit For First Time

Minnesota & Ontario Paper Co. is expected to show an operating profit in the year ending Dec. 31 next. This will be the first profit since the company went into the hands of receivers in February, 1931.

Improvement in the company's operations is reflected in the income and surplus account for the nine months ended Sept. 30, 1935. With sales up by $1.2 millions, the company reports an operating profit of $141,000 as compared with $16,037 in the first nine months of 1934. In the whole of 1934 an operating loss of $25,000 was shown.

While no balance sheet is included in the reports sent out by the bondholders' protective committee it is stated that receiver's certificates have been paid off in full. This will reduce the company's interest charges. Receiver's certificates as at Dec. 31 last amounted to $300,000.

Newsprint Sales Up

As regards sales, the report indicates that there has been improvement in all the lines handled by the company. The demand for newsprint from publishers with which the company has contracts continues to show an increase. Improved prices are being obtained for a number of products. Warning is given, however, that the announcement recently made by one newsprint manufacturer of a one dollar per ton increase for 1936 may prevent the industry from obtaining a substantial increase in price in 1936.

Announcement is made in the report that a new option has been granted to The Isle Royale National Park Commission for the State of Michigan on the entire holdings of Minnesota Forest Products Co. on Isle Royale. The option has been granted to the end of January, 1936, at a sale price of $312,000. The trustees expect that the option will be exercised.

The trustees have successfully achieved one of their operating objectives in increasing the volume of operations to a point where all mills are running on a substantially equal basis. At the present time, all machines at Kenora and Fort Frances are in operation and all except one at International Falls. Plans are underfoot for filling this one.

For details of income account see page 19.

Maritime Phone Tolls Reflect Larger Business

From Our Own Correspondent

MONTREAL.—Toll traffic volume of 123,185 calls, reported by Maritime Telegraph and Telephone Co. for October, was an increase of 6,626 calls over the corresponding month last year. The principal factor in the gain was a higher percentage of completed traffic, namely, 94.2 per cent compared with 93.3 per cent last year.

Further indication of the company's improved position is seen in the number of telephone installations. At the end of last October the number of telephones installed was 38,813, a net gain of 21 during the month. The Island Telephone Co., a subsidiary, reported a gain of 3 stations to 5,408. The connecting telephone companies report no change during October, the number of installations being 6,215.

Brine-Frozen Fish

Brine-frozen fish will be an important item in the fisheries industry from now on, in the opinion of Dr. Hess of the Biological Board of Canada.

Alberta Loss $4,022,183 On Sale of Phone Lines

The Alberta Government has sold 479 provincial telephone lines to rural mutual companies for $177,452, whereas the book value of the lines when sold was $4,199,635, according to Hon. W. A. Fallow, Minister of Railways and Telephones. The loss totals $4,022,183.

Recently, four lines have been sold to rural mutual companies. Book values of the lines sold ranged from $3,581 to $10,425 each, and prices received ranged from $175 to $412 each.

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Holt, Renfrew's offer a few Christmas suggestions to puzzled gentlemen who want to give "Her" something she'll be very, very pleased with, but who, being gentlemen, are a bit hazy as to just what to get!

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LINGERIE—Dainty French things that women adore . . . slips, gowns, lounging pyjamas, negligees . . . in charming variety. MAIN FLOOR.

EVENING WRAPS—From our Fashion Salon . . . a beautiful collection of evening wraps, any one of which will make an unusual and very acceptable gift. MAIN FLOOR GIFT SHOP.

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Gold Prices and Tomorrow

Few Indications of an Immediate Increase in Gold Price Contained in Present Situation—Gold Share Investors Must Have the Long View

By WILFRID SANDERS

If some divinely gifted person knew today, definitely and beyond doubt, what was going to happen to the price of gold in the course of the next year or so, he would be in a fair way to make himself the richest man in the world.

That holders of Canadian gold stocks realize this fact is evident in the number of enquiry letters reaching The Financial Post.

Unfortunately for the individuals, but fortunately, perhaps, for the mining industry, of course, nobody knows. There are those who think they know, and who are right now staking many millions of dollars on their supposed knowledge.

But even in the case of the most informed person, it is assumption, rather than definite knowledge. Which is after all what gives zest to the mining market.

Assumptions of All Kinds

The amazing part of the present situation regarding gold stocks and gold prices is that assumptions as to what is going to happen run the whole gamut of possibilities. Recent incidents have shown that there can easily be found a large section of the gold investing public who will believe with the slightest encouragement that gold will rise to $40 per ounce in the next 24 hours. On the other hand there are those who believe that in a few years from now gold will be practically valueless as a basis for currency. In between these two extreme views are many varied shades of opinion.

To reduce the problem to its most simple outline, there are three things that can happen to the price of gold. It can stay where it is. It can fall in value, or it can rise.

It is the latter eventuality which appears to concern most holders of Canadian gold stocks at the present time. The purpose of this article is to outline broadly the facts on which assumption may be based, and to attempt some sort of conclusion on these facts.

Real Price of Gold

Since the chief market for gold is as a currency base, and since currency is only a medium for exchanging commodities, the phrase "the price of gold is rising" means, in its final analysis, that as commodities become more plentiful, and therefore fall in price, one has to offer more of them for a given quantity of gold. The point is that the real price of gold is its commodity price, and that gold prices fluctuate in direct opposition to commodity prices. What we are talking about in this article is however the currency price of gold—not its commodity "price."

When a government within the gold group wishes to increase the price of gold, it therefore reduces the gold content of its medium of commodity exchange, or, in other words, of its currency. This means that more of this currency is required to purchase a given quantity of gold, and the operation is known as debasing the currency. It is one form of inflation.

Why would a government wish to increase the price of gold?

Three Reasons For Debasement

There are three main motives for increasing the price of gold. If we examine the validity of each, we should get some idea of the possibilities of such action being taken, which is the main goal of this article.

The three reasons why any government which uses gold as a base for its currency might wish to increase the price of gold are:

1. To raise commodity prices.
2. To realize a book profit on its gold reserves.
3. To obtain a trade advantage over rival countries.

The first reason may be dismissed very briefly. Economists used to believe that by raising the price of gold, commodity prices would increase. The theory took the following form: Raising the price of gold involved, as we have seen, reducing the amount of gold behind every dollar. Money or currency was thereby debased, and it would take more dollars to buy any commodity. Commodity prices would therefore rise.

Beautiful But Unworkable

But somehow this theory did not work out in recent practice. Certainly it has worked out in the past, but when Roosevelt tried it, and wrote up the price of gold to $35 per ounce, commodity prices did not rise, in proportion.

It was a fine theory but it just didn't work.

As a result, the practice has been somewhat discredited. At any rate, it is generally held now that it is unworkable within safe limits.

Therefore it is being assumed that there is small possibility of gold being increased in price merely for the purpose of increasing commodity prices.

Book Profits

What of the second reason? Book profits, particularly in United States, have been enormous as a result of writing up the gold price. The monetary gold stocks of the United States treasury increased in value from $4 billions as at January 31, 1934, to $7.4 billions as at Feb. 28, 1934. Thus a profit of over $3 billions was shown almost overnight. Some of this profit, of course, was obtained from confiscation of private hoards at $20.67 an ounce, and valued on the books of the treasury at $35 per ounce. But the fact remains that by writing up the price of gold from the old standard price of $20.67 to about $35, the United States Government increased its liquid assets by over $3 billions. A stroke of Mr. Roosevelt's active pen did the trick.

Because, since that date, gold has poured into the United States treasury at a phenomenal rate, the value of these monetary reserves is now about $9.6 billions.

Canada's Profit

Coming closer to home, the Bank of Canada, in July of this year, reported a profit on its gold reserves of over $73 millions as a result of giving the benefit of the difference in the old and new price of gold to this bank. As at Dec. 4, 1935, the gold reserve of the central bank was valued at $181,409,294 at $35 gold. From this, some idea of the enormous profits to be made by increasing gold prices can be realized.

But it is a book profit only. So closely interwoven are the threads of international commerce and trade, that any adjustment such as this has tremendous and often deleterious effects on the equilibrium of international exchange.

There are limits to the advantages obtainable from such bookkeeping, as there is a point at which the book profits obtainable do not offset the loss entailed in a slipping currency value. Most observers are of the opinion that this point now is very close.

No Profit For Europe

Another reason for believing that chances for increases in the gold price, via the book profit route, are slipping, is that gold reserves of European countries, except France, are not large enough to yield a profit. The French, however, still have the largest gold reserve in Europe despite the current outflow of gold from their country to United States. The rest of Europe are known to have seriously depleted their gold reserves. There is little hope of profit under such circumstances, because a substantial basis for the pyramid is lacking.

Equalization Funds

In the case of those countries which made profits on their gold reserves by the increase of gold from $20.67 to $35, that profit has been largely absorbed in equalization funds, used to bolster up any fall in the value of the country's currency abroad. Thus the profit is not available, in most cases, for unemployment relief or any of the real problems of the country.

On the whole, therefore, the investor in gold stocks seems to have little grounds for expecting an increase in gold prices from further currency inflation as a means of creating book profits.

The third reason for debasing currency, or increasing gold prices, has proved to be the strongest motive in the past. If the currency of a country is "cheap," that is, if it is debased, the exporters of that country are obviously at a tremendous advantage, since the money to buy their product is more cheaply obtained in the currency markets of the world.

This was of very great importance to Britain after she abandoned the gold standard, and is credited with having had a lot to do with the present comparatively stable position of that country. It was largely responsible for similar action on the part of United States.

But today, with most of the commercial world having already debased their currencies, with the exception of the vulnerable gold bloc, there remains no particular advantage, from this angle, in debasing them further. The world is obviously desperately afraid of a currency war, and it is fairly apparent that some sort of currency stabilization will be arrived at before nations would embark on such a war.

Currency Stabilization

If and when France abandons gold entirely, or debases her currency further, the stage will be set for such currency stabilization. There is little likelihood of international agreement as long as the gold bloc maintains its individual and, to most people, impractical stand.

We have examined all three possible motives for arbitrarily increasing the price of gold, and none of them appear particularly strong when viewed in the light of immediate possibilities.

This is the short term view, but this article makes little attempt to go beyond that period. It is largely written in terms of the next year or two only.

More Distant View

But it would hardly be fair not to make at least a brief incursion into more distant fields, where, in this case, the grass certainly appears greener.

From the above brief analysis, it seems fairly certain that before the price of gold will be written up much further, some sort of currency stabilization will be effected. That must be the jumping off place for an examination of long term possibilities.

Suppose the countries of the world do get together and decide on a more stable basis for currency, what then?

There are those who claim that gold is unnecessary for such a basis, that it will eventually be abandoned, and that it will therefore become practically valueless, except for ornaments.

But precedent seems to point against such a view. Volumes have been written on this subject recently, and it is beyond the scope of this article to enter into a discussion of these opinions.

Gold Still The Best

Anything is possible, and nobody can tell what the outcome of the present trend (if anything so lacking in concerted movement can be called a trend) of international currency developments may be. Suffice it to say that the preponderance of opinion tends to the view that if the world is to have any sort of international currency, some metallic backing for the currency is necessary, and so far gold seems to have proved the best backing available.

Assuming then that this supposed conference agrees to use gold as the basis for currency stabilization, will it be at $20.67 per ounce, at $35 per ounce, or less, or more? Again the question is unanswerable, and one must fall back on assumptions.

Today most countries of the world are piling up huge national debts, for unemployment relief, armaments, and other projects. Some time these debts will have to be repaid. With France and United States still holding most of the world's gold reserves, other countries may have no other path open to them but to write up the value of the reserves which they have already have, in order to pay these debts. This, as previously pointed out, seems impractical just now but five or ten years hence it is difficult to see how it can be avoided.

Long-term Faith

There are other reasons for pinning long-term faith to gold stocks, despite the scarcity of reasons for expecting an immediate increase in the price of gold. At present, the greatest obstacle to currency stabilization lies in the unequal distribution of world gold reserves. Even supposing that by some miraculous procedure gold reserves became more evenly distributed, the amount available would, on any reasonable currency basis, be no more than sufficient to supply the countries of the world with a modest backing for their currencies. The demand for gold seems as strongly entrenched today as it ever was, despite the vast amount produced in modern history.

Those who believe that the events of the future can be broadly forecast by reference to history may also take hope from the interesting chart accompanying this article, which shows the trend in the price of gold since 1250 A.D. It will be seen that the broad trend has always been toward a higher price. In nearly every case war has been behind the increase in the price of gold.

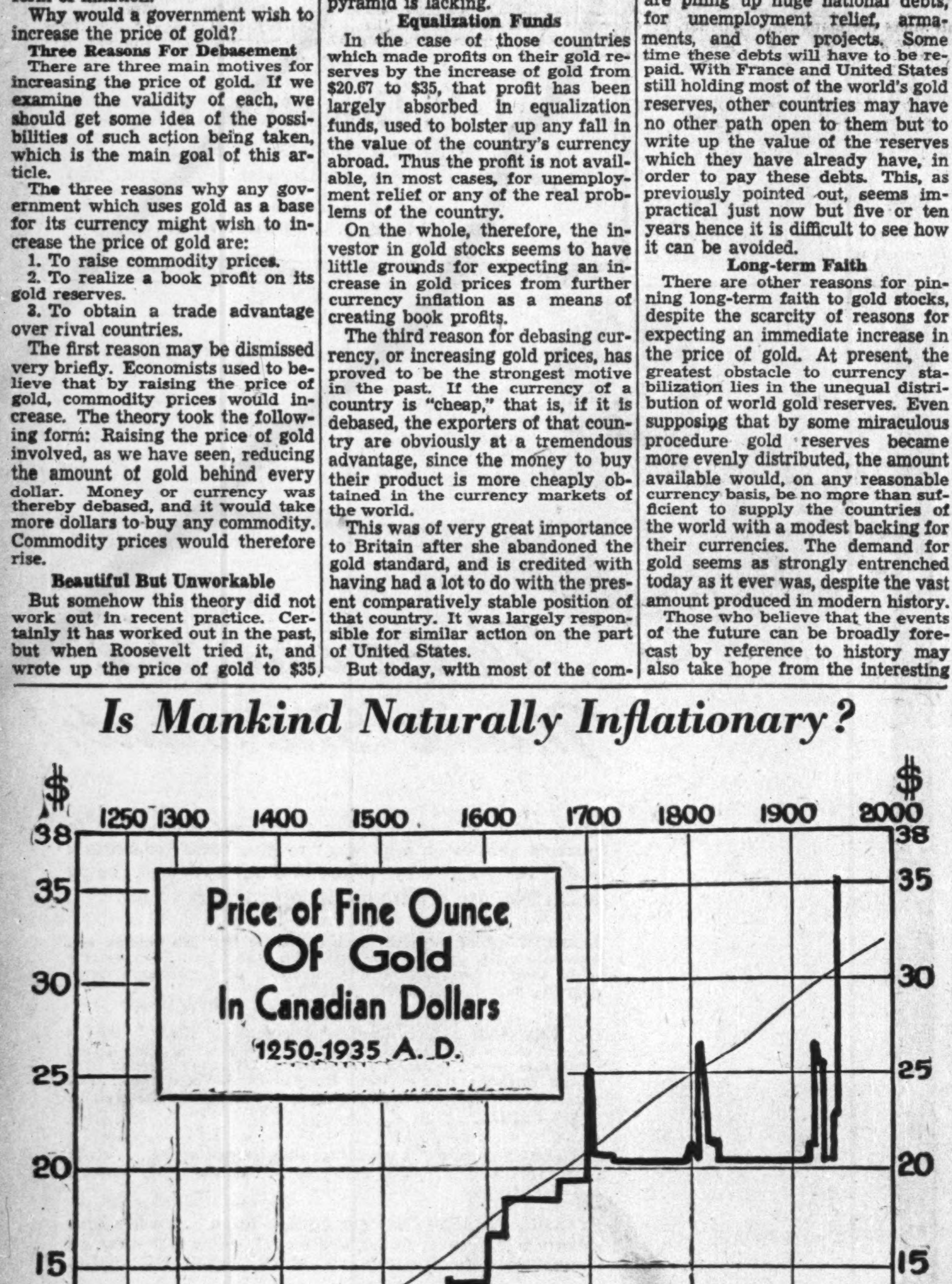
Walter Lippman, United States commentator, wrote in October, 1933:

"The economic history of the 19th century seems to show that the long periods of deflation have ended with the discovery of new gold. The deflation after the Napoleonic wars, and the 30 years of misery and revolution in Europe did not end until the finding of gold in California. The deflation after the Civil War did not end until the discovery of gold in South Africa in the late nineties. Whether this is a coincidence or cause and effect is difficult to say. It is a fact that the best periods of the past one hundred years have been the decades of rising prices, following a marked increase in the gold supply. Those who have the greatest faith in the president's philosophy maintain that revaluation of gold will produce the same results as the great new discoveries of gold."

Mr. Lippman might have added that the Yukon gold strike also roughly corresponded with the end of the big depression in 1896 and the steady rise in commodity prices from then until shortly before the outbreak of the Great War.

To accept the views that there is no immediate chance of an increase in gold prices does not mean that one should become suspicious of the present market in gold shares. A comparison of earnings and potential earnings with market prices shows that there is little expectation of an immediate rise in gold prices. In most cases, the prices of Canadian gold stocks bear a healthy relation to present earnings and possibilities, altogether apart from any future change in the price of gold.

Is Mankind Naturally Inflationary?



The above chart shows the price of gold from the 13th century to the present time. The chart is modelled on a similar chart, showing the price of gold in pounds sterling, appearing in a recent issue of The Economist, of London. It is doubtless of interest to the long-sighted investor to note that up to 1700, gold approximately doubled in value every two hundred years.

The sharp rises in the 19th and early 20th centuries are due, of course, to debasement of currencies following the Napoleonic and Great Wars. The thin trend line is, of course, approximate, and should not be too closely relied upon. The period covered in the chart, of course, covers a much longer period than the life of the dollar. The price in pounds sterling, however, has been transposed at par, in order to show the trend.

Elected to Exchange

STUART S. CANTLIE

Who has been elected a member of the Canadian Commodity Exchange. Mr. Cantlie will represent the firm of Oswald & Drinkwater on the floor of the exchange. He has been with the firm since 1930.

Trans-Canada Shares Pay Dividend of 18.357c

December 1 dividend of Trans-Canada shares was 18.357 cents a share. It was paid on coupon No. 5.

The dividend paid Dec. 1, 1934, was 18.6 cents a share, and the June 1, 1935, rate was 19.27 cents a share.

Increases in dividends paid by the companies whose shares are held in the fixed-type portfolio are expected to bring a substantial payment next June which may be above the 1935 rate. The current offering price of the shares is $10.95 each, ex-dividend. In June, 1933, the offering price was $8.38 a share. The offering price indicates it is based on value of the securities in the portfolio.

Staves For South Africa

The Canadian Wood Pipe and Tank Co., Vancouver, are preparing an order of staves for use in construction of a 2,000 ft. 12-inch wood pipe line for Cape Town, South Africa.

Earnings of Royal Bank May be Slightly Lower

Current Loans Well Maintained in '35—Interest Savings

Earnings of the Royal Bank of Canada in the fiscal year ended Nov. 30, 1935, like those of the Imperial Bank and the Bank of Montreal, are expected to be slightly lower than in the 1934 period.

As in the case of the other two banks, lower return from security holdings, and from diminished loans, will probably somewhat more than offset reduced outlay for interest on deposits.

Based on a comparative study of the monthly returns to the minister of finance, The Financial Post estimates that average holdings of securities during the year increased by $40 millions and that loans dropped approximately $15 millions. However, the interest yield on both these sources of revenue declined substantially in 1935, so that on balance there was probably a considerably lower return.

Actual averages for the 12 months of the 1934 year and for 11 months of the year just ended are as follows:

Securities:	1935	1934
	$	$
Government	150.7	110.7
Other	34.9	34.6
	185.6	145.3
Loans:		
Call & government	59.3	71.6
Current	317.6	319.6
	376.9	391.2

It is of particular interest to note that the bank's current loans in Canada have averaged practically the same as last year. These loans, comprising chiefly loans for commercial purposes, are in fact, expected to appear in the balance sheet at a total substantially above that of 1934.

Since May they have been higher than in the same month a year ago with the one exception of July when the figures were about equal. At the end of October, the total was reported at $332.4 millions, as against $319.8 millions in 1934.

Despite charges of credit restriction then, the decline in loans by the Royal has been almost entirely confined to those made to the government and on call, considerable numbers of which are for security transactions.

Holdings of securities other than government issues have been below last year since May, but government debentures have climbed steadily to a peak of $175.9 millions in October.

On the other side of the picture, although deposits have risen sharply, the cut in interest rates from 2½ to 2 per cent on savings and by varying amounts on demand deposits, means a definite saving. A number of current accounts now bear no interest. The total of deposits on which interest is paid has probably decreased during the year. So that it is believed that the bank will make from this source a saving which will nearly compensate for lowered revenues. The increase in deposits has been fairly evenly divided, demand deposits being up from $123.6 millions to $147.4 millions and savings from $264.9 millions to $277.4 millions.

Administration costs are expected to run about the same as in 1934, but taxes may be somewhat higher.

Profit accruing from the revaluation of gold, estimated at $673,000, will not be credited to operating account, having been added to internal reserves.

In the 1934 fiscal year, the bank reported a net profit, after appropriations to contingency reserves, of $4.4 millions. This was equivalent to $12.57 a share, compared with $11.15 a share in 1933. After appropriations for premises and taxes, earnings were $8.92 a share as against $9.12 in the previous year.

FUNDING SCHEME OF ONT. SILKNIT FINDING SUPPORT

Cash Payment of 75 Cents and Rights Are Planned

Acceptance of the plan to fund accumulated arrears of dividends on Ontario Silknit's 7 per cent preferred stock is considered likely when shareholders meet on December 17, to consider the scheme.

According to sources in close touch with the company's affairs, the plan was adopted by the directors only after examining several possibilities of reducing the arrears which now amount to $20.75 a share. Regular preferred dividends are now being paid.

The plan involves a cash payment of 75 cents a share on account of arrears with payment to be made as soon as possible after ratification of the plan by stockholders.

May Issue Rights

Authorization is also sought for an issue of income funding rights for payment of the balance of the arrears, on the basis of one right for each preferred share outstanding. Total preferred outstanding consists of 10,000 shares of $100 par value, and the plan calls for issue of 10,000 rights to preferred shareholders of record at December 31, 1935.

With a value, on the basis of the present arrears of $20.75, less the 75 cents cash payment, the rights would have a face value of $20. They are to carry non-cumulative interest at a minimum rate of $1 a year, or to the extent of available net profits in each year.

Rights will also be redeemable in whole or part at $20 and accrued interest, by call, or through purchase on the open market at the lowest possible price.

Earnings of the company are reported to have shown marked improvement during the current year and may lead to resumption of common dividends if the preferred funding plan is adopted.

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Hitler and the New Germany

Canadian Visitor Finds German Dictator and His Government Entrenching Position—No Flash in Pan—A Modern Appraisal

By MURRAY R. CHIPMAN

All of us have our minds full of questions about Germany.

Why have the German people submitted to a dictatorship?

What of the real Hitler?

Will national socialism survive?

Does Germany want peace or war?

Is there danger of an economic collapse?

These are the most common among the questions flung at the returning traveller from Germany.

"Prophecy" states Lord Tweedsmuir, "is a gratuitous form of error." Therefore, in my impressions, I will act as a reporter and discuss only those trends which seem self evident to an observer of Germany.

Must be Detached

The problem should be approached from two points of view. First we should view Germany objectively.

It doesn't much matter if we, a democratic people, like the situation or not. There it is. It must be appraised both intellectually and emotionally from a detached point of view. To do so from the latter angle is not always easy.

"I hear you liked that hateful Germany," a Canadian-Scottish mother who had lost her son in the war told me on my return from the Reich. But when I pointed out to her that there was now a new generation both in Germany and in Canada who looked to us, the older generation, for a new type of co-operative leadership which will preserve the lives of today's sons, she agreed. A modern appraisal is not to be confused with or based on whatever our remembrances of our war hatred nor of our criticisms of the present decrees of the government in Germany.

People Not Government

Secondly I believe it helps us immeasurably to appraise the new Germany if we think in terms not of the German government but of the German people. And the latter we will find are not much different to ourselves.

A change there has been and whether for good or evil that change has had a profound effect on the rest of the world and in this respect must be considered as having accomplished something of permanence. In this connection and also in regard to the longevity of the present regime in Germany the following quotation from a speech by one of the leading ministers of the Reich, Rudolph Hess, better known as Hitler's "alter ego" is to the point:

Firmly Entrenched

"Even its opponents must admit today that the National-Socialistic state's position becomes more and more secure from month to month in Germany," says Herr Hess. "Nobody seriously believes today that National Socialism will disappear within a measurable space of time. Even less can other peoples and states ignore its existence. Sooner or later they must define their attitude toward it one way or another as they once did with regard to the French Revolution and the regime set up by it."

Party Following Restricted

It is important to make a distinction between the National Socialist government and the National Socialist party. While National Socialism is the government the National Socialist party consists of only 2 million members. This is confined only to active followers through its 14 years of struggle to dominance and present or future membership is by invitation of the party.

In this respect there is a striking similarity to the Communist party in Russia which is also relatively very small in comparison to the total population and there too, membership is largely confined to the "Old Bolshevists."

Herr Hitler believes that the party should be no larger than at present because the main purpose is to be made up of active workers who are qualified by loyalty and capacity to further the national socialist idea. The party is military in type, which accounts for the unjudicial "purge" of last year—the penalty for disloyalty.

In my wanderings throughout Germany I met quite a large number of people who were willing to become members of the party but who had failed to do so largely because of their unsatisfactory response to the following penetrating question: "Where were you during the difficult early years of the party struggle against Communism and the other internal enemies of Nationalism?" This, of course, refers to the Munich fiasco in 1923 and for the trying years which followed. Sixteen members of the National Socialist party were killed beside the Field Marshalls' Hall in Munich 12 years ago and many others were wounded. Herr Hitler and General Ludendorf were imprisoned.

Constitutional Dictator

Following that rebuff, Hitler chose the constitutional method in seeking power and it is essential to appreciate this fact when considering the present government. By a prodigious use of his eloquence in moving the masses to his support, Hitler was finally able to secure constitutional acceptance of his plan for Germany.

And this brings us to the man himself.

Most of us believe the story that Hitler is really the mouthpiece of a powerful industrial group behind him. This is not true.

Hitler won the support of the opposed industrialists solely on the ground that his plan presented the only hope for them—that a united Germany meant a re-born Germany. The alternative was Communistic chaos.

Industrial Support

The industrialists swung behind his banner and, although Hitler is accredited with drawing on their experience, there is no evidence to indicate his being dominated by them.

I came away with a very clear impression that would dissuade us from the viewpoint that Hitler is an Austrian mountebank, an opportunist washed up on the tide of events into German leadership.

His hold on the mass of the people which includes the present allegiance of the most of the middle and higher-class Germans with whom I conversed, is based on his qualities of mental energy, proven personal courage and a great simplicity. He has the "common touch" and in addition that fanatical zeal which in his eloquence moves and wins the allegiance of the masses.

Oratory

I saw Herr Hitler twice. The first time was in the Reichstag when he spoke on the winter relief programme. He met the seriousness of the situation at the outset by a closely reasoned speech. That over, he provided the inspirational touch, moving the audience to wild enthusiasm.

I do not speak German. During one overwhelming burst of applause I enquired what he had said. These were his words, "As we look around us, we see nations at war and others perhaps becoming involved. Here in Germany we fight the battle for the people in the interests of peace."

The second time I saw him was in Munich, just after being informed by officials of the press department of the Brown House, the Party's headquarters, that they did not know where Herr Hitler was and certainly he was not in Munich. I left the building to find Hitler just across the street inspecting, with others, the work on the tombs of Remembrance in which the bodies of the sixteen, killed in 1923, were being enshrined for national hero worship. Hitler travels a great deal by plane and his whereabouts frequently are unknown but to a few.

Spartan in Habits

Hitler is reported to have maintained his personal habits of almost spartan simplicity. He neither smokes nor drinks and is a vegetarian. Certainly he has avoided the temptations of the swank of power. He might have moved into one of the former Emperor's Palaces, but has not done so—leaving the distinction of having slept in the former Kaiser's bed to one of the leaders of the Communistic party who did that in the early days of the Republic in Berlin.

I stayed at the Kaiserhof Hotel in Berlin, which was the former headquarters of the Nazi Party there, before it moved across the street into the government offices. A number of leaders still frequent the hotel, however, and Hitler himself drops in unexpectedly for tea around six when in town.

There is always an air of expectancy about the Kaiserhof in the late afternoon when Hitler's flag, flying above his residence across the Wilhelmplatz, indicates he is in Berlin and the card "Reserved" appears on his accustomed table in the Tea Room.

Family

Hitler's personal home is in the Bavarian foothills some 100 miles from Munich and his sister presides as his housekeeper There he retires for peace and poise.

Contrary to common belief, Hitler comes from a reasonably good family and had a fair early education. Following his four years of active participation in the war which ended in his being wounded and blinded by gas the latter part of 1918, Hitler became an omnivorous reader. In common with many former soldiers after the war, he saw the chaos and need for some plan for Germany and, quite by accident, discovered his persuasive powers as a speaker.

Fights War Defeat

After the war, when the German peoples, crushed by defeat and lowered both in morale and morals, lost their grip, Hitler said, "By and large these are the same people who, fighting in the front line, displayed the imperishable qualities of courage, discipline and self-sacrifice. That they are not now so doing is because of their leadership. Their leadership must be wrong. We must change it."

And with that doctrine of a reborn courage, discipline and self-sacrifice Hitler re-awakened a defeated Germany and created a new Nationalism.

The people subsequently endorsed their new leader and answered his call to replace the numerous political parties—as many as thirty-six at one time—with a new and united Germany—and in so doing, particularly to crush the menace of Communism.

Alternatives

Will the German people continue their allegiance to Hitler?

The answer depends on alternatives. At present the German people see clearly that the alternative to Hitlerism, or National Socialism, is party strife and Communistic chaos again.

They see that, failing the arrival of another strong leader, that the practical steps which Hitler has put into effect to assure their world position as one of strength and equality with other nations will be a defeated dream.

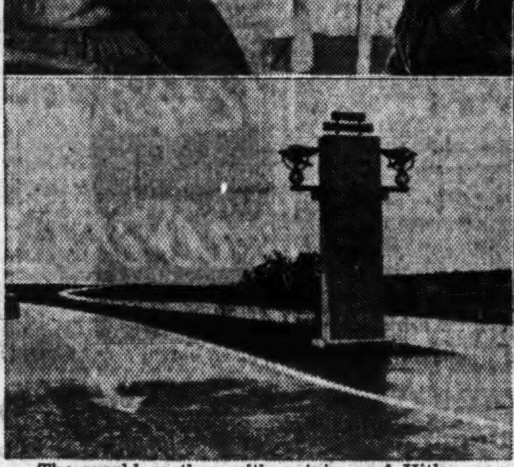
Rumblings

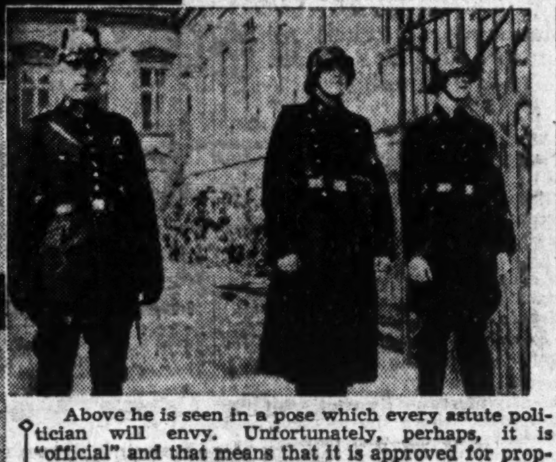
But there are rumblings that are worth watching. As one shrewd German business man said to me: "The real test of National-Socialism will come within the next three to five years. If there is any internal economic collapse or another world depression, the German people who are now asked to be patient may become restive. Then, we may see the National-Socialist leadership showing its weakness by a display of strength which, unfortunately, may take the form of active aggression against other nations. German youth and materials of war will then be ready to strike—and the idealism of that youth and, indeed, of the whole of Germany, will be propagandized into aggression against the real or fancied wrongs of those outside nations who will be said to be depriving Germany of her necessities for economic stability."

There are other rumblings from German citizens and business men who see their children organized for preparedness through health and national discipline and, as peace-loving parents, they dare say nothing to the regimented regime.

Editor's Note—In subsequent articles Mr. Chipman will deal with the Labor and Youth Movement, Finance and Raw Materials, and the possibilities of War or Peace.

Politician—Builder—Soldier?

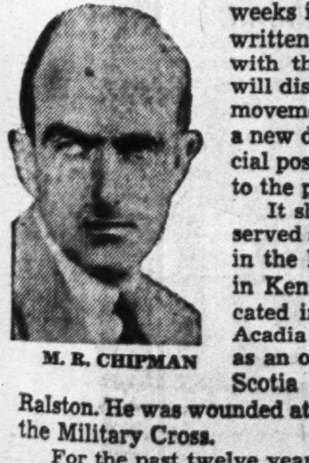




The world seethes with opinions of Hitler, some flattering, some of the opposite nature. Few of them, however, are lukewarm either in condemnation or praise. The very multiplicity of these opinions indicates the difficulty in making an accurate appraisal. Here are three sidelights into Der Fuehrer's life which might lead to entirely different interpretations.

Above he is seen in a pose which every astute politician will envy. Unfortunately, perhaps, it is "official" and that means that it is approved for propaganda purposes. At the left is a view of one of the many new hard-surface, high-speed motor highways now being constructed in Germany. On the left three types of the new militarized forces, regular army, police and Hitler in Berlin. The last two photographs were made by Mr. Chipman, who in the accompanying column describes the new Germany.

The New Germany



M. R. CHIPMAN

Murray R. Chipman, the author of this article, is the Eastern Manager of The Financial Post with headquarters in Montreal. Accompanied by Mrs. Chipman he spent several weeks in Germany this autumn. He has written four articles which will deal with the new Germany. Later articles will discuss the vitally interesting youth movement; the efforts of Hitler to give a new dignity to labor; Germany's financial position; and Germany's relationship to the problem of war or peace.

It should be noted that Mr. Chipman served as an officer in the Canadian army in the late war against Germany. Born in Kentville, Nova Scotia, he was educated in that province, graduating from Acadia University. He served overseas as an officer in the 85th Battalion, Nova Scotia Highlanders, under Col. J. L. Ralston. He was wounded at Amiens in 1918 and was awarded the Military Cross.

For the past twelve years Mr. Chipman has been a member of the staff of The Financial Post.

Co-ordination Said Solution Of Transportation Problems

Greater Measure of Truck Control is Needed—Canadian Rail Services Improving as New Equipment is Added

By F. A. GABY

Assistant to the President of the Canadian Pacific Railway (An Address Before The Transportation Club, Toronto)

Transport Expert

Frederick Arthur Gaby, B.Sc., D.Sc., assistant to the president of the Canadian Pacific Railways, and formerly chief engineer of the Hydro-Electric Power Commission of Ontario, is a recognized authority on electrical engineering and problems associated with general engineering and transportation.

He is a member of the American Electric Railway Association, as well as a number of other Canadian, United States, and English associations connected with the building, transportation, bridge construction, and electro-chemical industries.

Mr. Gaby's address to members of the Transportation Club, Toronto, reproduced in part in the accompanying article, deals with significant trends in transportation by rail and highway in Canada.

He believes that sympathetic consideration must be given to coordinating rail and highway transport services if both types of transportation are to serve their full purpose to the public.

The great problems with which the railways in Canada are faced are not entirely those induced by the industrial depression.

It is true that traffic volume has been curtailed, but the physical volume of business, as distinct from railway traffic, has been rising steadily for some time, and has now reached the point, where, according to the Dominion Bureau of Statistics the level of 1926, usually taken as the base year, has again been exceeded.

The figures should not be taken without reservation, because activities in the construction trades and in the durable goods industries, the backlog of railway revenues, have not rebounded to former levels. Nevertheless the fact has sufficient bearing to be important.

Traffic Trends

In the five years from 1924 to 1928, a period of active and extensive construction, total railway traffic of the country increased at about the same rate as general business.

If 1926 be taken as the base year, it is found that the volume of railway traffic and general business increased uniformly until the end of 1928.

In 1929, railway traffic fell off sharply in advance of the decline in general business, which did not occur until the end of that year, and the former declined further, and has since recovered much less than the latter.

There are several factors which have a direct bearing on the low traffic level. One of the most important of these is found in the decline in the volume of Canada's foreign trade, of which grain is the most important item.

For example, in 1928, the foreign trade index stood at 119 and the railway traffic figure was 117. In 1933, the former was 65 and the latter 61.

Canada's Foreign Trade

It is true that other countries have suffered greatly, some of them even more than Canada, but foreign trade is of relatively greater importance to Canada than to most other countries. Our foreign trade, which had previously averaged about one-third of the gross value of production, was still 27.8 per cent of that total in 1933, whereas the United States proportion of foreign trade to total value of production was only 10 per cent in that year.

From these preliminary observations, it may be safely deduced that, while there are many important factors, foreign trade and transport competition are in the forefront of the causes of the low traffic level of the railways.

It is possible and even probable that foreign trade may not return completely for many years. So much depends on the collective action of different nations, that no matter how much it may strive to improve the situation, no single nation has found a remedy.

Highway Competition

As for competitors, highway competition has developed so rapidly, that of all the present competitors, it presents the most pressing of competition problems.

Similarly the private automobile has gained from the railways traffic which must in a large measure be permanently lost. The motor bus, while not so serious, is becoming increasingly important from a passenger standpoint. The more effective regulation applied to it has developed an increasing tendency on the part of railways to interest themselves directly in their operation, with beneficial results.

We have thus many difficulties which neither the railways themselves, nor our governments in Canada, can remedy, but a great deal can be done to help in solving the remainder. Two angles in particular are susceptible of attack. They are:

1. Co-ordination of rail services with those of their competitors; and
2. Matters internal to the railway organization which include co-ordination of railway facilities, improvements in service and the like, as distinct from purely operating economies.

Transport Factors

It is fundamental to a proper approach to these matters that they should be considered as transportation problems and not as railway or highway problems, depending on whether we happen to be railway men or motor vehicle men.

Especially is this viewpoint necessary on the part of the railways, because of their importance and size. We have been accustomed to think of the railways on the one hand struggling for supremacy over their highway competitors on the other. That is not, in my opinion, a state of mind that will be conducive to constructive thought.

The effect of the operation of the motor truck in Canada may be roughly estimated from a study of data supplied by the Dominion Bureau of Statistics.

The index of manufacturing production in 1933 was 79 per cent of the 1927 total, and in 1934 was 92 per cent of that total. Merchandise traffic or less-than-carload traffic in Canada declined in 1934 to 51 per cent of the 1927 total. These figures represent the decline from all causes, including the business depression.

The total loss in dollars to the railways is not capable of accurate determination, but it is safe to say, that so far as less-than-carload traffic is concerned, the loss would amount to something over $16 millions per annum.

Lower Truck Costs

The problem becomes urgent when note is taken of the rapid strides which are being made in the development of the motor vehicle. The Diesel engine in particular offers real economy in fuel consumption. It has been the experience that an up-to-date truck engine can be operated at approximately one cent per mile.

They are not widely used in Canada at present, but in England, the economy in fuel consumption has resulted in a large percentage of the total number of trucks being fitted with Diesel power. In general, the mileage per gallon of fuel obtained from this type of motive power is approximately double that produced by a gasoline motor of equal power output.

The early days of the development of railways produced some lessons which must not be forgotten.

Wasteful competition and duplication of services and facilities, coupled with the evils of discrimination, were responsible for the gradual growth of the system of government control under which they now operate.

The same chaotic conditions are apparent in the field of commercial highway transport in Canada.

Commercial transport of passengers by highway is largely free from the evils which exist in the trucking industry, and this is undoubtedly due to the more effective regulation.

While there is a control of rates for passenger transport operators, there is not as yet any attempt to control rates for goods vehicles. It is, however, believed by such authorities as Sir H. Osborne Mance that rate control will eventually be forced upon goods transport vehicles.

Control In The U. S.

In the United States, there was recently passed a Federal Act placing interstate and foreign commerce by motor vehicle under the control of the Interstate Commerce Commission.

One of the most important features of these regulations and one which should be adopted in this country, is that licenses should not be issued except upon satisfactory evidence that the public convenience and necessity require that the service applied for should be established.

Taxation

The second in importance is a complete revision of the system of so-called taxation.

A distinction should be made between the charge which is made as a rental for the use of the highways, and what is usually implied by the word "taxation." The rental charge should be made upon the basis that all motor vehicles should pay their fair proportion of total cost of building, maintaining, repairing, renewing and policing the roads.

Safety Factor

Third in importance from the transportation standpoint, but, of course, of primary importance in regard to public safety, is that adequate and uniform regulations be established covering every aspect of present-day safety problems, including the fitness of vehicles, the fitness and hours of drivers, speeds commensurate with road, weight, size and traffic conditions and the like.

Control of Rates

Fourthly, it is believed that there should be control of rates and tariffs, and regulation for this purpose should be of the same character and under the same body as the control to which railways are from time to time subject.

Although there are many difficulties in the way of enforcement of rate regulation due to the large number of small operators, I believe that eventually the operation of a satisfactory licensing system will make it feasible.

Flaws Are Seen

Some of the weaknesses of regulation in its present form may be summarized as follows:

1. The Dominion has never as yet exercised its jurisdiction over interprovincial and international highway operators.
2. The licensing system, while based in many provinces upon the requirement that public convenience and necessity must be shown to exist, has not been really effective. There have been many instances in which licenses have been granted upon the most meagre evidence of this character.
3. There has never been any really adequate enforcement of any of those regulations which have already been adopted by the provinces and these regulations are in many particulars inadequate and lacking in uniformity.

The Future

The railways themselves, as the most important element in the transport field, must prepare for the future.

They must satisfy themselves to what extent the motor vehicle and indeed all other competitors are the most economical means of transport, and having done this, must either use highway services more extensively themselves, or be prepared to lose a great deal of their business permanently.

Canadian Advantages

Two factors contribute to the relatively more favorable position of our railways than those of the United States as regards highway competition.

First. We have not so many separate railways and therefore not so many interchanges. Thus the possibility of better over-all speeds are greater in Canada.

Second, our climate is such that in the winter months the roads are frequently impassable to motor traffic for extended periods.

The railways are already intent upon a programme of improvement in service from the standpoint of speed and efficiency.

The result has been encouraging and these and like improvements will give to the shipping public that high standard of service which, under present changing conditions, they require.

Air Conditioning

Air conditioning of passenger cars, new high speed passenger trains will all ultimately play their part in the wide programme of railway service. Probably the time will come when air, rail and highway passenger services will be co-ordinated that tickets will be interchangeable between them as they now are in England.

The need today, however, goes deeper than that. It involves the elimination of duplication in all branches of transport, whether it be highway or rail, or whether it be the handling of express and less-than-carload freight.

Edmonton Exchange Will be Wound Up

An outgrowth of the boom in oil stocks during 1929, the Edmonton Stock Exchange will shortly cease to exist.

Assets will be distributed, it has been decided by the remaining members, and the exchange will formally pass out of existence by winding up proceedings. Actually, it has been dormant since 1930.

A membership of 66 remains on the exchange rolls, of whom a number are classified as "inactive." Assets total $3,200 cash, and a smaller amount in fixtures. Liquidation will be carried out by the exchange treasurer on behalf of active members, and Gordon Winkler, on behalf of inactive members.

Your Christmas Shopping

IT IS easy to pick out a Christmas present. The animal, vegetable and mineral kingdoms in all their profusion and variety are at the disposal of every Canadian with $5 in his pocket or $5,000 in the bank for yuletide gifts. And the man with $5 is king of all he surveys just as much as the man with $5,000 to the extent of the first five-spot in both piles of money.

Certain that everyone can forget hundreds of suitable presents The Financial Post has prepared a list of gifts which are meant to be reminders rather than absolute guidance. Fashion, fit, material, color, individual taste, all have their place in settling just what dress, fur coat, toque, sports ensemble, hat, nightie or other garment Madame, Mademoiselle or la petite will enthuse over. But half the battle is over when the giver decides the kind of thing he will give because if he has the money or the credit, he can surely get it.

Similarly everything a man or boy can want in the way of things to wear, smoke, drink and look at is available. Everything he does from shooting and fishing to lounging and reading can be made easier and more enjoyable by presents now resting in shops.

As civilization grows more complex the range of possible presents widens. Things can be bought now for the car, for the house, for the office and for every possible occasion formal and informal. Many of these were non-existent two or twenty years ago in type, material or use. Whether antiquarian or modern man can browse among the old and the new in furniture, statuary, paintings, silverware, chinaware, jade, diamonds, pearls, ornaments of all kinds, and houses. The world never before offered such a great field for choice. Among the out of the ordinary and always correct presents may be trips, telegrams, telephone messages, flowers, pianos, violins, musical instruments of all kinds, season tickets to concerts, or subscriptions to The Financial Post, Maclean's Magazine, Chatelaine, Mayfair or Canadian Homes & Gardens.

All of the desirable gifts cannot be covered in a list which would cease to be helpful as it grew too long. But a glance over the selection which follows may save a lot of purposeless drifting around crowded shops. Many of these suggested gifts are illustrated and described in the special Christmas advertisements which appear in this issue of The Financial Post.

It may be possible, when when one has scored off the items required, to turn the same over to a daughter or secretary for actual execution or to a professional shopper whose services many stores offer the bewildered male at this festive season.

Business Associates

- ☐ A box of cigars or cigarettes
- ☐ A new book (Biography)
- ☐ A fountain pen
- ☐ An ink well
- ☐ Ash tray
- ☐ Any desk accessory
- ☐ Case beverages
- ☐ Opener
- ☐ Pipe
- ☐ Cane
- ☐ Penknife
- ☐ Club bag
- ☐ Sporting equipment
- ☐ Deluxe hamper
- ☐ Financial Post subscription

Wife or Mother

- ☐ Fur stole and muff
- ☐ Refrigerator
- ☐ Radio
- ☐ Stove
- ☐ Necklace and brooch
- ☐ Motor car
- ☐ Toaster
- ☐ Silk lingerie
- ☐ Fur jacket
- ☐ China
- ☐ Chair or stool
- ☐ Painting
- ☐ Earrings
- ☐ Evening bag
- ☐ Electric clock
- ☐ Grandfather clock
- ☐ Motor rug
- ☐ Cutlery
- ☐ Coffee or tea table
- ☐ Dressing table
- ☐ Magazine
- ☐ Golf clubs, togs

Husband or Father

- ☐ New book
- ☐ Box of cigars
- ☐ Smoking jacket
- ☐ Dressing gown
- ☐ Necktie
- ☐ Military brushes
- ☐ Cane
- ☐ Humidor
- ☐ Watch
- ☐ Meerschaum pipe
- ☐ Miniature
- ☐ Auto radio
- ☐ Umbrella
- ☐ Dress sets
- ☐ Camera
- ☐ Razors

Invalids

- ☐ Silk eiderdown
- ☐ Electric pad
- ☐ Small pillow
- ☐ Thermos set
- ☐ Night light
- ☐ Lunch tray
- ☐ Flowers
- ☐ Bed jacket
- ☐ Books (fiction, etc.)
- ☐ Jelly
- ☐ Basket of fruit
- ☐ Bedside radio
- ☐ Magazine

Charity

- ☐ A cheque
- ☐ Ton of coal
- ☐ Cord of wood
- ☐ Clothing
- ☐ Turkey
- ☐ Hamper
- ☐ Box of fruit
- ☐ Christmas beef
- ☐ Plum pudding
- ☐ Candies
- ☐ Bedclothes
- ☐ Christmas crackers
- ☐ Box of biscuits
- ☐ Filled stockings

Brothers

- ☐ Bond or share
- ☐ Skates
- ☐ Skiing outfit
- ☐ Cigarette case
- ☐ Ties
- ☐ Socks
- ☐ Handkerchiefs
- ☐ Cigarette lighter
- ☐ Evening dress set
- ☐ Watch
- ☐ Books
- ☐ Magazines
- ☐ Portable radio
- ☐ Fishing tackle
- ☐ Picture
- ☐ Guns
- ☐ Hunting knives
- ☐ Badminton racquets

Sisters

- ☐ Bond
- ☐ Fur evening wrap
- ☐ Grand piano
- ☐ Evening accessories
- ☐ Riding habit
- ☐ Electric waffle iron
- ☐ Pearl earrings
- ☐ Perfume
- ☐ Purse
- ☐ Opera glasses
- ☐ Sports outfit
- ☐ Dinner ring
- ☐ White carriage boots
- ☐ Books
- ☐ Pictures
- ☐ Cheque

Secretaries

- ☐ Chocolates
- ☐ Gloves
- ☐ Cheque
- ☐ A new typewriter
- ☐ A dictionary
- ☐ Book
- ☐ Magazine
- ☐ Club bag
- ☐ Raise in pay

Children

(Girls)

- ☐ Doll's carriage
- ☐ Doll's house
- ☐ Dolls
- ☐ Table and chairs
- ☐ Toy piano
- ☐ Mother Goose book
- ☐ Games
- ☐ Sleigh
- ☐ Sweater

(Boys)

- ☐ Toy motor car
- ☐ Electric train
- ☐ Building set
- ☐ Bagatelle board
- ☐ Junior billiard table
- ☐ Skates
- ☐ Skis
- ☐ Toboggan
- ☐ Carpenter set
- ☐ Filled stockings
- ☐ Rubber toys
- ☐ Blocks
- ☐ Ball
- ☐ Cameras
- ☐ Flashlights

Municipal Bright Spots—

Defaults Obscure Good Records of Solvent Cities—How Port Arthur, St. Catharines and Galt Uphold Finances

Canadian municipal bonds as a class have traditionally occupied a high place in investment markets.

With 11 per cent of the total debenture debt of Canadian municipalities in default this confidence, however, has been shaken somewhat. Nevertheless, interest and principal payments on 89 per cent of municipal debts are being met in full, so that most municipal bonds are in satisfactory standing.

While many municipalities have encountered financial difficulties during the depression years, Canadian municipal finance has not been without its bright side. Even in the face of the problems occasioned by the depression, the chief of these being the cost of unemployment relief, a number of municipalities have improved their credit and financial positions. In many cases this has been accomplished despite heavy debts incurred in the past as a result of undue optimism, widespread over-assessment of properties and declining tax revenues.

Good Management

The key to the success of these municipalities has been good management. Just as a large percentage of municipal defaults has been the result of past disregard of sound business principles so the excellent record of others can be attributed to the rigid application of principles of sound finance. In the case of defaulting cities and towns, the depression merely brought on an acute trouble, which would probably have come any way in the future. In others, the depression has demonstrated the benefits of good management.

The position in which any municipality finds itself at present reflects to some extent the character of its citizens. In many municipalities, and not only in those that have defaulted, there is widespread indifference to the rights of those whose money has been borrowed. In short, this means indifference to the credit of the municipality. On the other hand, the excellent record of some municipalities can be traced directly to the emphasis which has been placed upon maintenance of credit.

The character of the local government, particularly the management of its financial affairs, has been a most important factor. Where the affairs of the municipality have been under the guidance of experienced and reputable business men, the credit of the municipality, except where special circumstances have intervened, has been maintained. In many cases considerable credit must also be given to permanent civic officials.

Port Arthur

An outstanding example in Ontario of what can be accomplished by application of sound business principles is the record of the city of Port Arthur. Not only has it reduced its gross and debenture debt during the depression years, but it has also lowered its tax rate and taken care of its share of unemployment relief out of current revenues.

Good management and economy are the explanation of this record In common with other cities throughout Canada, Port Arthur has had unemployment. Unlike many cities, however, it has not capitalized any of its relief expenditures, but has trimmed its other expenses so that unemployment costs could be met from current revenue.

Economy Not Unpopular

The city's record would indicate that the supposed unpopularity of economy is a fallacy. With economy as an election slogan, C. W. Cox was elected to the mayoralty chair in 1934 and 1935 with a record majority. While economy has been a by-word in the city's management in recent years, necessary city services have not been neglected.

A number of years ago Port Arthur was in a poor financial position. Sinking fund requirements were in arrears and the city was suffering from burdensome debts as a result of extension of municipal services. Faced with the task of maintaining the city's credit and reputation, a number of prominent business men were persuaded to stand for civic office and were elected. Steps were immediately taken to repair the city's financial structure, all spending bodies cooperating. Since that time there has been steady improvement in the city's finances.

Sinking Fund Surplus

As a result of its economy policy the city now finds itself not only with reduced debenture debt, but with a sinking fund in excess of requirements. There is sufficient on hand in the sinking fund for the repayment of 50 per cent of the entire outstanding debt. About 80 per cent of the debentures mature within the next ten years. With the continuance of a policy of reasonable capital expenditure, the city will soon find itself with a comparatively light capital indebtedness and a corresponding reduction in annual sinking fund and interest charges.

During the past ten years the city has cut its gross debt by $1.7 millions and its net debenture debt by $2 millions. Ten years ago the net debt was $4.8 millions. As at Dec. 31, 1934, the net debt was down to $2.8 millions. Since 1924 the tax rate has been reduced from 43 mills to 38½ mills.

Utilities Show Profit

In some municipalities, public utilities have proved a drain on the treasury, being operated at a loss. In Port Arthur, the public utilities are self sustaining. In 1934, the public utilities commission reported a net profit of $48,821 after all charges, including depreciation, interest and sinking fund on debentures. The telephone, light and power, and waterworks departments all earned profits, while the street railway reported a loss of slightly over $7,000.

Tax Collections Excellent

As regards tax collections Port Arthur has one of the best records in the Dominion. This is due in part to its waterfront industries engaged in the transshipment of grain and other commodities. During the depression years these industries have given a measure of stability to the city's income. Another important factor has been the efficient methods of the city's treasury department. There has been a close follow-up of all delinquent taxes. Within 1934, 83.3 per cent of the year's levy was collected and total collections amounted to 96.1 per cent of the levy. Tax arrears at the end of the year amounted to about 50 per cent of a year's levy.

It is expected that the current year will close with the city showing a cash surplus on the year's operations. Despite a reduction in mill rate the city reports that at Nov. 18 last, total tax collections were equivalent to 100.57 per cent of the current tax levy. The increase over the corresponding 1934 period indicates that tax arrears are being reduced.

During 1935, bank borrowings for current purposes up to the middle of October were nil. The only bank loans up to that time had to do with arrears and this borrowing amounted to $80,000 at Oct. 16, a reduction of more than $110,000 in the last 13 months.

St. Catharines

St. Catharines is another Ontario city with a balanced budget and an improved financial position despite the depression. Careful expenditure during recent years has enabled the city to reduce its gross and net debt and create a surplus in its sinking fund. Unlike Port Arthur, however, it has not met the entire cost of relief out of current revenues, a portion of its share being capitalized.

A manufacturing centre with well-diversified production, St. Catharines has not suffered as severely during the depression as some cities which depend upon a few industries. The latest available report shows 101 manufacturing establishments in the city with a total annual production of over $10 millions.

Debenture Debt Reduced

Debenture debt of the city has shown steady reduction during the past 10 years, being reduced from $4.5 millions to $3.2 millions. During 1933 and 1934, net debenture debt after deduction of sinking fund dropped from $2.8 millions to $2.3 millions. The city has the lowest per capita debenture debt of any city of a corresponding or larger size in Ontario.

Even during the depression years the city's tax collections have been good. In 1934, 77.6 per cent of the year's levy was collected. Total collections, including arrears, were in excess of the year's levy. Tax arrears amount to about 50 per cent of a year's levy, a reasonable figure when compared with many municipalities.

Management Excellent

Considerable credit for the city's excellent record must be given to Stuart K. Watt, commissioner of finance. A former bank manager, Mr. Watt has jealously guarded the city's reputation for sound finance and has kept a strong hold on the purse strings. As a result of his counsel, expenditures in recent years have been trimmed to fit the reduced tax revenues.

Sound business principles have been important factors in maintaining the city's position. The city's accounting methods rank with the best in Ontario. The budget is brought down early in the year and tax collections got after in good time. The records kept by the finance department enable the city council to know where they stand at all times. This is conducive to keeping expenditures within estimates.

Galt

Galt has maintained its reputation as one of the best managed municipalities in the Dominion. Known for years for the high character of its civic management and for its business methods, Galt has come through the recent difficult years in excellent shape.

The sound position of the city's finances is an indication of the character of its citizens and industries. An old and well-established community, Galt has for years been regarded as one of the best of the smaller industrial centres in Ontario. Its industries have been noted for high character in their dealings, good quality in their products and fair treatment of their workers. While its industries, principally metal-working and textile, have suffered from the depression, they have come through it all splendidly, and at the present time are making remarkably rapid progress toward substantial improvement.

Relief Expenditure Small

Galt's relief problem has been a minor one largely because of the financial stability of its people. It has had unemployment and has taken care of its needy. However, no unnecessary public works have been undertaken with the aid of government grants. Relief expenditures have been provided for out of current revenues, the sum of $16,697 being expended for this purpose in 1934. This is a comparatively small amount in relation to expenditures by other municipalities.

Since 1927, Galt has reduced its gross and net debenture debt by nearly a million dollars. Net debenture debt as at Dec. 31 last amounted to $1.9 millions as compared with $2.8 millions at the end of 1927.

Utilities Are Self-Sustaining

Almost $400,000 of its net debenture debt was issued for public utility purposes. These are more than self-sustaining. In 1934, a profit of $1,598 was shown on the operations of the public utilities, after providing for depreciation, interest and sinking fund requirements.

Despite rising tax arrears in the years 1930 to 1933 inclusive, the city has maintained an excellent record in the collection of taxes. In 1934, the upward trend of tax arrears was stopped. Arrears as at Dec. 31, 1934, amounted to $175,033 as compared with $208,710 in the preceding year. In 1934, 83.6 per cent of the year's levy was collected prior to Dec. 31, and total collections were about $10,000 in excess of the year's levy. Naturally, Galt's bonds are scarce at high prices.

SLIGHT INCREASE IN 1936 MILL RATE FOR YORK COUNTY

Cost of Social Services May Make Higher Rate Necessary

A slight increase in the mill rate of the county of York in 1936 is forecast in the report of the finance committee presented at the November session of the county council.

The report, presented over the signatures of H. M. Cooke, chairman, and W. A. Armstrong, secretary, draws attention to the increase in costs of social services in recent years. As a result of provincial legislation the county has little or no control over some of these services.

The way in which York county has achieved a sound financial position is also explained. The report, in part, follows:

Good Financial Methods

"Counties, like individuals, can only maintain a good financial reputation by living within their means—paying their obligations promptly and paying as they go, rather than mortgaging or debenturing. In this respect, we feel the county of York, notwithstanding our difficulties, has set an actual example, which could very well be emulated by the federal and provincial governments throughout Canada.

"If those in the control of the state have the will to do it, it can be done. Palliatives, no matter how alluring and temporarily self-satisfying, only retard financial recovery.

"The county of York, in a very small and humble way, had 'financial appendicitis' in 1932. Rather than use a sedative, we chose a surgical operation."

Policy Beneficial

Results of this operation are indicated in the country's present financial position. Results in the period ending 1935 over 1932 as enumerated by the report are as follows:

(1) Reduction of approximately $300,000 in bank loans.

(2) No further debentures have been issued since 1932, and the financial committee recommends no further debenture issues for a period of at least 10 years, until the county has retired a major portion of its present debenture debt.

(3) Adoption of a "Pay-As-You-Go Policy."

(4) The county has had two successive balanced budgets and is within measurable distance of a third, for 1935.

(5) Improvement in the credit of the county of York is reflected by the fact that its debentures are being sold at and above par, whereas early in 1933 they were being sold below 80.

Social Services

With regard to social services the report states that "in line with the advance of federal, along with provincial social legislation, county of York costs for these services have increased. Some of these are services over which the county has little or no control, and must assume its proportions of the cost.

"At the present rate of incline of these major services, it would appear as though a slight increase in the county mill rate will be unavoidable in 1936, unless appreciable cuts are made in controllable expenditure to balance these items over which the county has little or no direct control."

Comparative figures of expenditures on social services in 1930 and 1935 are given below.

Expenditures

	1930	Estimated 1935
Hospitalization	127,988.64	300,000.00
Mothers' Allowances	58,341.36	110,000.00
Children's Aid	12,000.00	32,500.00
Secondary Edu.* ...	408,750.09	482,553.80

*Including special High School charges.

$500,000 GOES IN FUTILE PLAN TO END SLUMS

Sixty $7,000 Houses Built in $50 Millions Project

From Our Own Correspondent

OTTAWA.—With the 1935 construction season practically finished, the total progress made under the Dominion housing scheme comprises sixty houses.

Contracts for these buildings have been approved. Average cost of the structures, ignoring a $60,000 apartment block at Montreal, is $7,000.

To date, therefore, construction under the scheme amounts to less than $500,000 or one per cent of the total fund of $50 millions.

A Complete Failure

Viewed as a solution to either the housing or the slum problems, the scheme is now admitted at Ottawa to be a complete failure.

The list of the approved contracts is not available for publication but it is learned that but one or two of the sixty calls for the erection of a poor man's home—costing not more than $3,500.

The man who can afford a regular payment of from $15 to $20 per month has been unable to prove himself a sound risk for a loan under the regulations with which the scheme is hedged about.

More than that, all the approved contracts to date are in Ontario and Quebec, chiefly at Montreal and the larger cities in Ontario.

Not one house is being built under the scheme in the four western provinces or in the Maritimes. The reason, apparently, is that residential mortgage business in these provinces is not attractive to the "lending institutions."

$10 Millions to go

The housing statute runs until the Dominion appropriation of $10 millions—being 20 per cent of the total to be spent— is exhausted. The act does not lapse at the close of the fiscal year and therefore it is presumed that the scheme will continue indefinitely.

While conscious that the statute has lamentably failed to touch the housing problem, the government has not yet given consideration to amendments.

FOUNDATION COMPANY BUYS HALIFAX UNITS

MacGregor Mitchell Added to Board as Resident Director

From Our Own Correspondent

MONTREAL. — G. MacGregor Mitchell, of Halifax, has been elected to the board of directors of Foundation Co. of Canada, filling the vacancy on the board caused by the death of the late C. B. McNaught.

Mr. Mitchell is a director of the Royal Bank of Canada, Nova Scotia Light and Power Co., and other Maritime enterprises.

Foundation Co. of Canada has for some years operated its marine salvage business out of Halifax and has recently increased its activities there to a point where the election of a resident director was deemed advisable.

N. S. Tug Boat Acquired

Announcement is also made that the company, on behalf of its subsidiary, Maritime Towing and Salvage Ltd., of Halifax, has purchased the business of Nova Scotia Tug Boat Co. and the business, real estate and certain other equipment of Halifax Tow Boat Co. Ltd.

Maritime Towing and Salvage handles the docking of the ships of practically all lines using Halifax.

Acme Farmers Dairy Issued 1935 Statement

In outlining the status of the lawsuit in Winnipeg against Eastern Dairies in The Financial Post last week, it was stated incorrectly that shareholders of one subsidiary firm, Acme Farmers Dairy, had not received an annual report this year. The report, it is stated, was supplied to shareholders last July.

Shareholders of Crescent Creamery Co., another subsidiary of Eastern Dairies, were also supplied with an annual statement last July.

Hydro Act Hurts Many Securities

Interest and Dividend Defaults Likely —Some Companies Can Still Pay

From Our Own Correspondent

MONTREAL. — Proclamation of the Ontario Power Act and the cancellation of power purchases from Gatineau Power Co., Beauharnois Light, Heat and Power Co., Ottawa Valley Power Co. and Maclaren-Quebec Power Co., has placed the security holders of those companies in an unenviable position. On the strength of the contracts held by the companies with the Ontario Hydro, hundreds of millions of dollars worth of securities have been sold to the public, insurance companies, institutions, etc.

With the first attack on the power contracts last spring by Attorney-General Roebuck, the value of the power companies' securities dropped sharply. Some ground has been recovered, but substantial discounts still prevail.

Affect the Security

Cancellation of the power contracts has affected the security back of certain bonds, and it would be possible for the bondholders to foreclose, but little advantage is seen in such a course at this time. It is believed that the bondholders will continue to carry on in the hope that an amicable settlement will be reached between the companies concerned and the Ontario Hydro.

Eventually Need Power

At present Ontario Hydro is accepting delivery of power only from Gatineau Power. That company is delivering approximately 85,000 h.p. of primary energy and about 113,000 of secondary power for steam generation power. This makes a total of nearly 200,000 h.p., as compared with about 260,000 h.p. called for under the cancelled contracts.

This will take care of Ontario Hydro's normal requirements for the next year or two, but after that the Commission will be faced with the necessity of securing additional supplies. Meanwhile with the power deliveries cut off from Beauharnois, Ottawa Valley and Maclaren-Quebec companies, it is simply a matter of how long these companies can continue to carry on.

Gatineau Power Prospects

Gatineau Power Co. has outstanding nearly $70 millions of 5 per cent first mortgage bonds; over $17 millions of 6 per cent debentures; $25 millions of 6 per cent preferred and $2.5 millions of common stock.

Even without the Ontario Hydro business, Gatineau Power could continue paying interest on its first mortgage bonds.

The loss of all the Hydro business would imperil interest payments on the debentures. But if Hydro continues to take the block of 85,000 h.p. of primary energy and 113,000 h.p. of secondary power, Gatineau will be able to pay interest on the debentures.

Canadian Hydro Corp.

The preferred and common stocks are owned by Canadian Hydro-Electric. The revenue received by Canadian Hydro through these holdings goes to pay dividends on its own capital stock, of which $12.5 millions of 6 per cent preferred stock is in the hands of the public.

It would seem possible for Gatineau Power, on the basis of present power deliveries, to have sufficient revenue to pay dividends to Canadian Hydro and thus enable the latter to pay dividends on its first preferred stock. Without the Ontario Hydro business this would not be possible.

Inter. Hydro-Electric

International Hydro-Electric System, owning all of the junior capital stock of Canadian Hydro, is likely to be hard hit. There is little possibility of Canadian Hydro being in a position to pay dividends on its second preferred and common stocks, unless some satisfactory arrangement is made with Ontario Hydro.

A definite statement on this point cannot be made until it is known what Hydro is paying for the current deliveries. If the rate for both the primary and secondary power is $15 a h.p., then there should be sufficient income to enable Canadian Hydro to pay something to International Hydro-Electric System.

Beauharnois Power

Beauharnois Light, Heat and Power Co. has outstanding $38,205,000 of 5½ per cent first mortgage bonds. It is believed that the company will be able to meet interest payments out of its revenues from power deliveries to Montreal Power. There will be little or nothing available for distribution to Beauharnois Power Corp., which holds the junior equity.

Beauharnois Power Corp. has issued $36 millions of 5 per cent collateral trust bonds; all held by the public. Interest on these bonds does not become payable until April 1, 1938.

If Beauharnois is not successful in securing a new contract from Hydro or in finding a market for the surplus power created by the cancellation, there is little possibility of the company being able to meet interest charges on the collateral trust bonds in the spring of 1938.

From the point of view of revenue, the outlook for Beauharnois Power is rather discouraging. On the other hand Montreal Power has a large financial interest in the enterprise and may do something to protect its stake by keeping the collateral trust bonds in good standing.

Ottawa Valley Power

Ottawa Valley Power Co. is hard hit by the cancellation of the Ontario Hydro contract, as Hydro was its only customer.

The company has never issued a financial statement, so that it is impossible to say what state its finances are in, but if Hydro does not make a new contract with it, the company will not be able to meet interest on its first mortgage bonds, of which $9 millions were sold to the public.

Hit Calgary Power

The loss of the Hydro business by Ottawa Valley is a serious matter for Calgary Power, which acquired controlling interest in the enterprise through the purchase of the major share of $15 millions of 6 per cent debentures and 50,000 shares of no par value common stock issued by Ottawa Valley.

Bankruptcy faces Ottawa Valley Power, while Calgary Power may be forced to pass up dividends on its own common stock. Acquisition of a majority interest in Ottawa Valley caused Calgary Power to issue $2 millions of bonds. Increased interest charges will prove a drain on earnings of Calgary Power without any revenue from Ottawa Valley. Without the latter revenue it is estimated that Calgary Power could carry the larger bonded debt and pay preferred stock dividends, but the common dividend is in danger.

Maclaren-Quebec Power

Maclaren-Quebec Power Co. has issued $18 millions of 5½ per cent bonds. The company markets 66,000 h.p. with an allied organization, James Maclaren Co., and had a contract with Ontario Hydro for 125,000 h.p., of which 60,000 was being delivered at the time of cancellation.

Financing of this company has been carried out largely on the basis of the expected revenue from the Ontario Hydro contract.

Maclaren Power and Paper Co., holding company for the power property and other associated enterprises, is hardly in a position to make up the interest payments, especially as there is no other power market available at the moment. If Maclaren-Quebec cannot come to an arrangement with Ontario Hydro, then there is more than an even chance that the company will have to default on its bonds.

(For survey of Ontario power situation see page 17.)

Science
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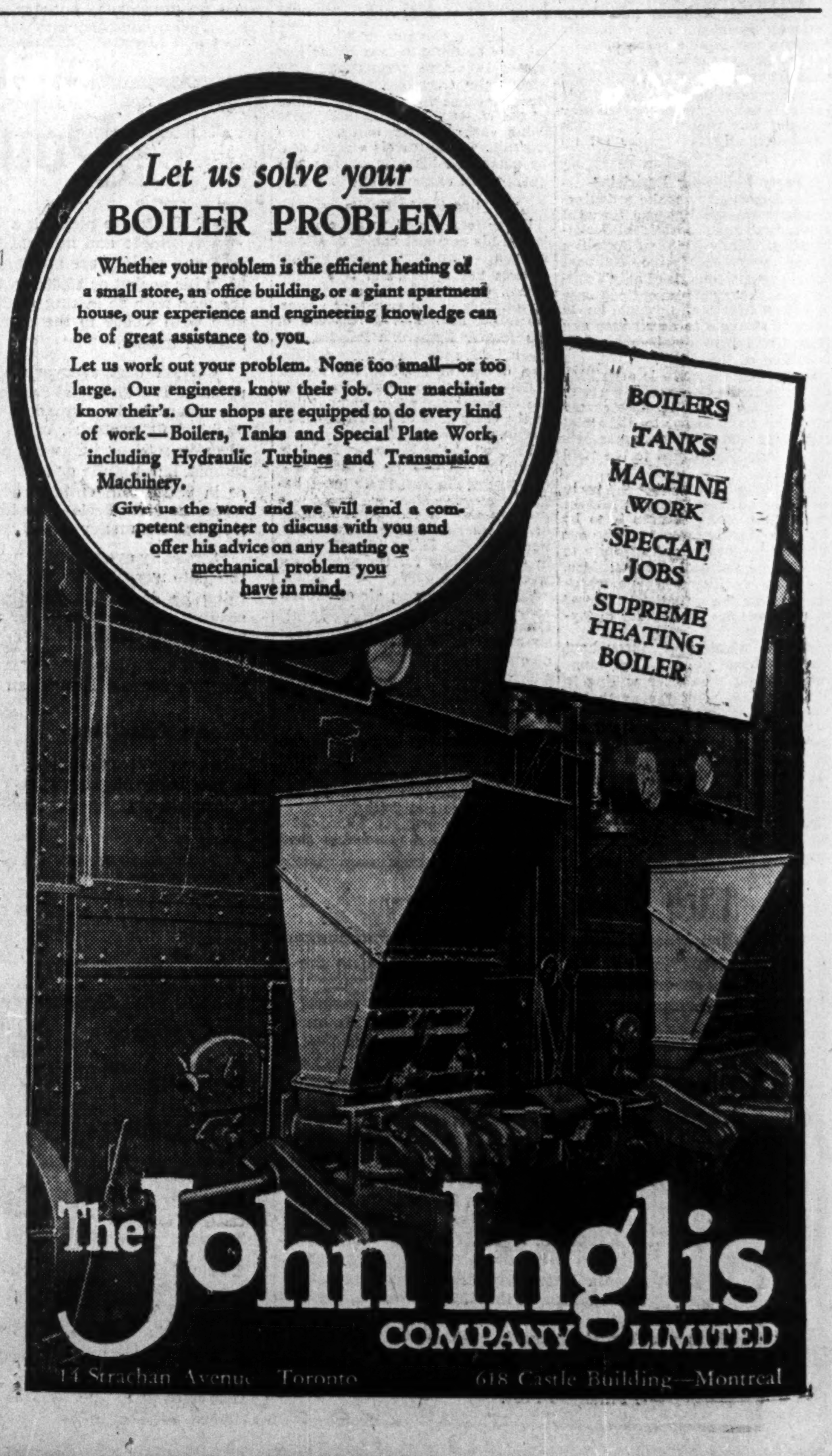

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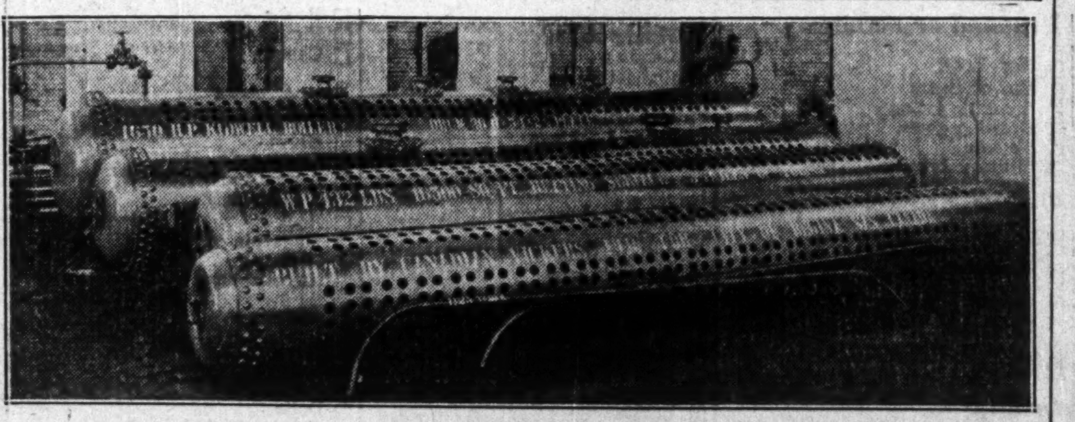


THE LARGEST COAL-FIRED BOILER IN CANADA IS A KIDWELL BOILER

The Kidwell Boiler shown above was built for the City of Regina Central Electric Generating Plant. It is the largest of its type in Canada, has a heating surface of 16,500 sq. ft., and generates 175,000 lbs. steam per hour at a working pressure of 432 lbs.

MADE IN CANADA
by
CANADIAN VICKERS LIMITED
HEAD OFFICE: MONTREAL
NEW GLASGOW TORONTO WINNIPEG
EDMONTON DRUMHELLER VANCOUVER

Steam Ahead!

Behind the Product; Behind the Service; Behind the Plant; Lies Steam—Mighty Genii of Business. How modern power plant equipment can cut costs, and prepare the way for future business expansion.

IF you want to talk to relatives in another world; if you want to get an idea or a message flashed across a continent — you must have a good "medium."

In the one case it's a human being that does the job. In the other, it may be the telephone, the radio or the newspaper.

And the more important the job to be done the more important it is to choose the right medium. Anyone who reads advertisements knows that. For advertisers constantly shriek at us to make sure we have the right "medium" for our particular message or job.

And when you get right back to the inner workings of any industrial plant the same thing holds true. Behind the product; behind the machines that make the product; there is an unseen "medium" that makes the wheels go round and that must be efficient and economical if the business is to be a success.

* * *

Steam and Electricity

A THOUSAND chances to one that medium will be either steam or electricity—or both. These are the modern channels through which most industries heat our buildings; make our wheels go round; treat and fashion materials and merchandise. In some cases the power will be purchased direct from outside sources and either used directly or turned in part into steam within the plant. In some cases steam alone is used, generated either from coal, fuel oil, gas or electric power.

Most of us take these twin Aladdin lamps for granted. Our operators press a button, pull a lever or release a control with little or no thought for the source of power that made the miracle happen. The business office pays the fuel or the hydro bills each month and plant engineers keep tab on the machinery itself. But you can almost name on the fingers of two hands the firms in Canada that keep a real cost accounting system of their power plant in the same way that other expenses of the business are analyzed and cross-examined.

Perhaps one reason is that a power plant seems part and parcel of the building itself. Most of them were designed and installed at the time the plant was originally erected, and since they are tucked away in the basement (as a rule) they are looked on as something which in spite of their importance cannot very well be disturbed "until we build a new plant — or make that three-story extension."

* * *

Dangers of Obsolescence

WELL, startling things have been happening in the last ten years (and particularly in the last five) to make that point of view about power plants a dangerous one.

In the first place, amazing strides have been made by scientists, engineers and heating experts in conquering these twin sources of power and in finding new ways in which they can be handled more easily, more efficiently and more cheaply.

Many of these developments arrived just about five years ago at a time when industry had begun to turn a deaf ear to capital expenditures of all kinds. Some of them are newer than that—brought about by the urge to greater effort and ingenuity that was the natural concomitant of the depression. Brought about too, by the arrival of new metals and new materials that have been such a dramatic feature of industrial progress in recent years.

All have been brought into the limelight in the relentless search by enterprising producers for cheaper and more efficient ways of manufacture. Few enterprises escape the purifying purge of a bitter, long-lived economic depression. In one department after another ways and means are found of saving a dollar here, a hundred or a thousand dollars there. Processes, methods, equipment, all undergo ceaseless scrutiny in the search for greater economy and efficiency.

Many of these discoveries are not acted upon at once. Few firms in 1932, for example, were bold enough to make a major expenditure in the realm of capital equipment even if it could be shown that they would get their money back very quickly by lowered costs. Such suggestions were pigeon-holed until business skies looked a little brighter.

* * *

Big Changes Coming

TODAY the picture has changed. Steam plants—in many cases discovered to be obsolete for the first time during the depression — are being ripped apart and modernized. This means that here and there in every group and industry is an up-to-date factory with many specific advantages over old-fashioned competitors. For example:

(1) The new units have been installed at a time when costs are low. They are still 30 per cent below 1929 levels, and are tending to remain low in Canada for the time being, due in part to lower tariff schedules under the Canada-U.S. trade agreement.

(2) The plants with modernized equipment cannot only make better products at lower costs, they can also handle rush or special orders more efficiently due to great improvements in plant equipment in recent years, and by reason of the fact that they are not handicapped with obsolete or inadequate power equipment.

* * *

Three Main Functions

WHY is the part played by the power plant such a vital one?

There are, in essence, three functions it may perform. (1) Heat the buildings. (2) Supply power for driving machinery, lighting, etc. (3) Supply steam for processing materials and other manufacturing uses.

An earlier article in this series described the tremendous advances that had been made in the single realm of heating. How new developments in stoking equipment, new insulating materials and so forth had opened the way to extraordinary savings in operating and fuel costs.

Possibilities for saving are increased many times when, in addition to merely heating the building (as in the case of institutions, office buildings, etc.) there is added the need for steam in processing and also the adaption of that steam as a source of power.

For quite apart from what sort of fuel a plant uses (whether it be coal, oil, gas or electricity) and no matter how efficiently that fuel is turned into power, or heat, or steam, there are literally scores of ways in which that energy can be applied and adapted to particular needs. And it is in this adaption and application that modern power plant engineering has made some of its most important advances and discoveries in recent years.

* * *

New Developments

NOTABLE for example is the development of high pressure and high temperature steam. Until 1929, temperatures of 650 degrees Fahrenheit were considered very high and few plants outside utility companies went above this or even reached that point. Today a large automobile manufacturer in Canada is installing boilers to deliver steam at a temperature of over 800 degrees and pressure over 800 lb. to its turbines. To appreciate this, it may be noted that at this temperature metals are beginning to show a decided reddish color and yet with the advance of metallurgy and construction methods, boilers and superheaters to generate this, are standard equipment.

One virtue of using these high pressures and temperatures is that amazingly cheap power can be developed as a by-product where there is a reasonable balance between this and other uses to which the steam is put. By first passing this steam through a turbine, which generates a certain amount of power and then exhausts pressure for use in manufacturing processes, etc., electric power can be developed which even after all proper charges can be generated as low as $12 per kw. or .02 cents per kw.h. The secret is of course that if this exhaust can be used, the apparatus still continues to run at very nearly 100 per cent efficiency thus performing a double function at almost the same cost.

* * *

Use Present Plant

ONE important feature of these new developments is that it is by no means necessary to scrap existing low-pressure equipment in order to profit by new power plant advances. Modern high-pressure units can be superimposed on the low pressure units so as to produce satisfactory results at a very low cost, due to salvaging the capital investment made.

It is essential though that expert advice plus co-operation of all those concerned be obtained. The chief executives, their consulting engineers, works managers, plant engineers must co-operate on the one hand, added to which there will be the advice and recommendations of the equipment specialists who are the designers and manufacturers.

* * *

Typical Results

AS FOR results, the following example is cited as typical of what can be done—typical of what MUST be done in thousands of Canadian plants whose power plant equipment is completely obsolete, if domestic competition and competition from other countries is to be successfully met by Canadian producers.

A Quebec firm found its production capacity seriously handicapped by its steam plant. As they were planning to expand still further, this became a serious problem. A consulting engineer was engaged, and in co-operation with the chief executive, plant manager and plant engineer, the following points were disclosed—

(1) Capacity must be considerably increased.

(2) There was a very close relationship between process steam and power demands so that a large saving could be made by using high pressure and temperature.

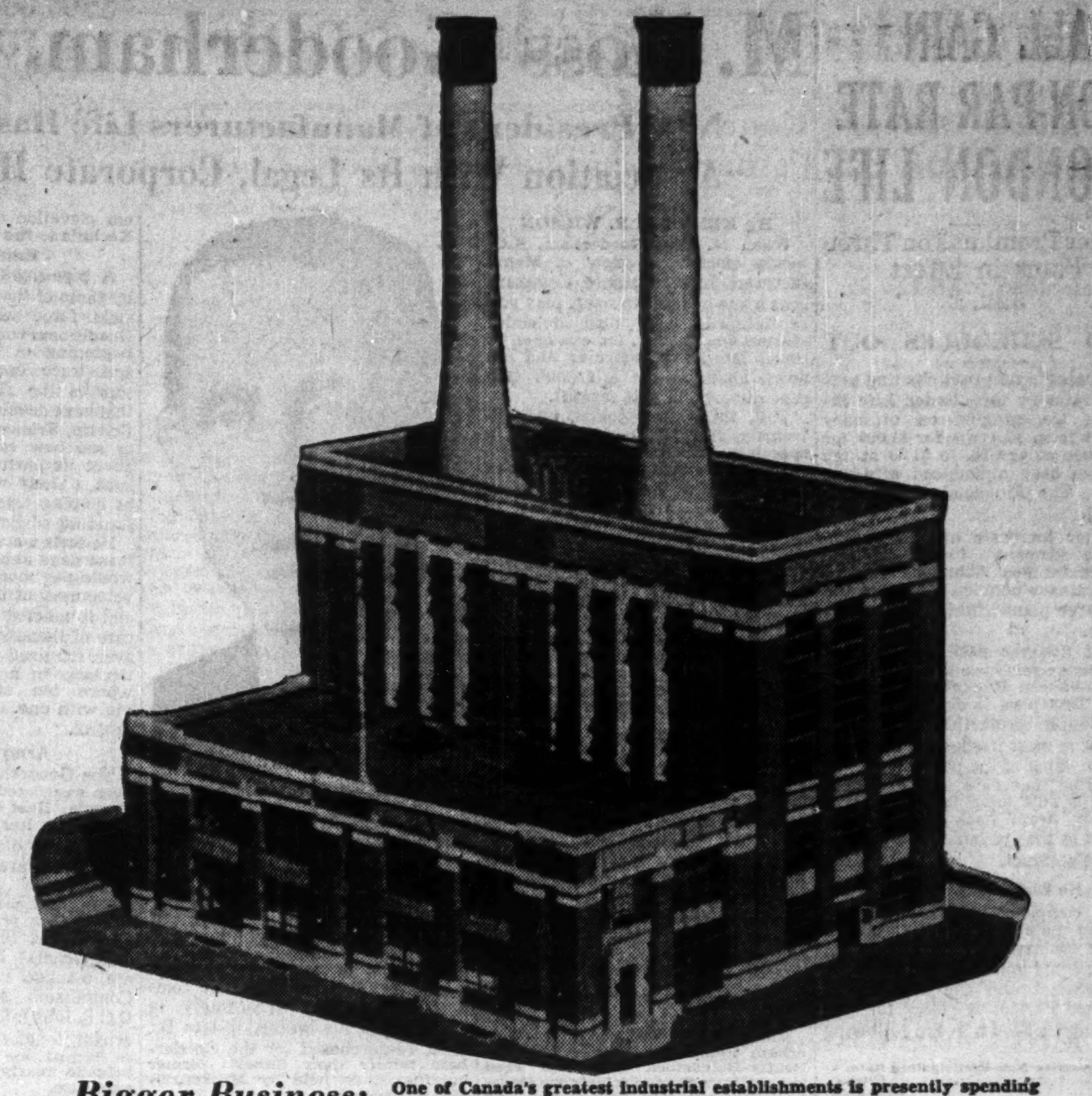
(3) By carefully investigating the fuel situation it was found that low-priced fuel could be obtained and used.

The necessary funds were appropriated and the plant modernized with the following result:

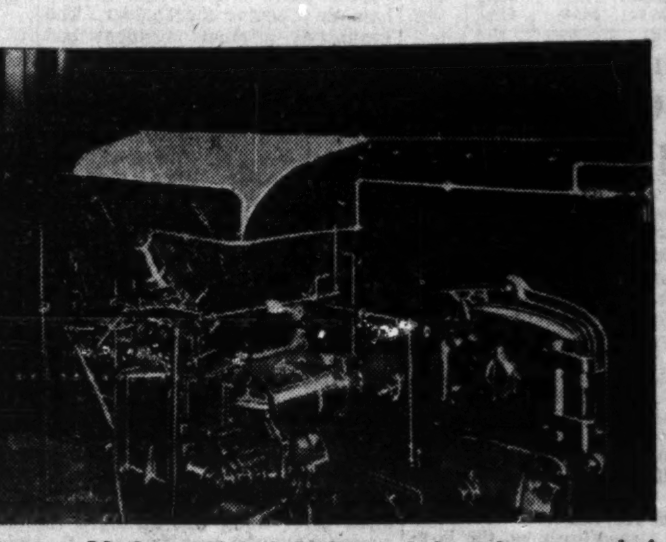
(1) The total investment was returned in less than 15 months.

(2) The firm is now entirely independent of power failures (outside their own plant over which they have no control) and their production department has not once been compelled to curtail output because of lack of steam or power.

(3) They are now prepared to expand their power plant as required by increased sales without being handicapped by low pressure and temperature equipment in the plant.



Bigger Business: One of Canada's greatest industrial establishments is presently spending upwards of $2 millions to modernize its steam power plant equipment with a view to cutting costs, doubling its capacity and preparing for the tremendous expansion that is anticipated in the automotive industry in the next decade.



Steam Maker: This is the business end of a modern power plant furnace. Economy and amazing efficiency are achieved by these up-to-date units.

Human Life: Kitchens, laundries, running hot water, air-conditioning, sterilization equipment are a few major needs of a modern hospital. At the heart of this exacting service is the steam boiler plant, which must be efficient, all-embracing and ready for any emergency.

Such an installation is just being made in the new Women's College Hospital, Toronto, where the last word in modern steam power plant equipment has been installed. Staffed entirely by women (except for the engineers), the hospital exemplifies what modern power plant equipment can do to give safety and comfort to its 140 beds and 60 infant cribs.

Airplane view by Airmaps, Ltd. Courtesy Dickson Jolliffe & Co.

Cheaper Bacon: The biggest packing business in Canada is done by Canada Packers Ltd. in its many plants throughout the Dominion. A modernization programme for its steam boiler equipment undertaken recently at the Gunns plant, Toronto, is expected to cut steam costs from about 30 cents to 17 cents per thousand lb. per hour delivered at the plant.

The air view shows part of the Toronto head office plant. The insert shows the modernized boiler.

ONE of a series of articles indicating in practical fashion the amazing opportunities for good business that lie in a programme of rehabilitation for Canadian industry. These forward-looking firms and institutions are making possible this constructive series:

CANADIAN JOHNS-MANVILLE COMPANY LIMITED
"Specialists in Insulation"

COMBUSTION ENGINEERING CORPORATION LIMITED
Steam Plant Specialists
"Modernize and Save Money"

CRANE LIMITED
Valves Fittings Piping
Plumbing and Heating

C. A. DUNHAM CO., LIMITED
"Dunham Differential Heating"

FRID CONSTRUCTION COMPANY LIMITED
Hamilton, Ontario
General Contractors

GENERAL MOTORS OF CANADA LIMITED
"An eye to the future — An ear to the ground"

GOODYEAR TIRE & RUBBER COMPANY OF CANADA LIMITED
"Goodyear Means Good Wear"

INTERNATIONAL NICKEL COMPANY OF CANADA LIMITED
Nickel - Inconel - Monel Metal

LIVINGSTON STOKER CO. LIMITED
Hamilton, Ontario
"Canada's finest automatic coal burner"

NATIONAL STEEL CAR CORPORATION LIMITED
Hamilton - Montreal
"Specialists in Transportation Equipment"

THE OFFICE SPECIALTY MANUFACTURING COMPANY LIMITED
Filing Systems and Office Equipment

PAGE-HERSEY TUBES LIMITED
Steel Pipe
Genuine Wrought Iron Pipe

W. E. PHILLIPS COMPANY LIMITED
Pioneers in new applications of Flat Glass

PIGOTT CONSTRUCTION COMPANY LIMITED
Hamilton, Ontario
"Builders in Stone"

ALUMINUM COMPANY OF CANADA LIMITED
"This is the age of Aluminum"

ANACONDA AMERICAN BRASS LIMITED
Rustproof Copper, Brass and Bronze

BELL TELEPHONE COMPANY OF CANADA
"Continuous improvement in telephone equipment has made Canadians the world's greatest users."

CANADIAN BUSINESS EQUIPMENT MANUFACTURERS' ASSOCIATION
"Organized for Greater Service to Canadian Business"

CANADIAN INDUSTRIES LIMITED
"Cellophane" Division
"Cellophane" the modern packaging medium

SMALL GAIN NON-PAR RATE LONDON LIFE

Higher Premiums on Three Plans in Effect Jan. 1

TWO SCHEDULES OUT

Increases in non-participating premium rates by the London Life Insurance Co. ranging on ordinary policies from 13 cents for $1,000 for insurance at age 20, to $1.53 at age 50, have been announced effective Jan. 1, The Financial Post is informed.

Similar increases are announced for the company's twenty-pay life and Guaranteed Enhanced Protection Ordinary policies. These are the only three plans affected by the increases.

Chief non-par policy which the company's agents use is the Guaranteed Enhanced Protection Ordinary plan. This plan is designed to afford double protection at a time when it is most needed by doubling the face value of the policy until age 60. After that date if the policyholder is still alive the amount of premium drops back to the same amount as that payable on an ordinary life contract.

No 20-Pay Life Rates

The company has not yet announced the new scale of premiums on the twenty-pay life policy but new and old rates on the ordinary life contract and the Guaranteed Enhanced Protection policy for typical ages are shown in the following table:

Comparative Non-Participating Rates

Age:	Ordinary Life New	Ordinary Life Old	Guar. Enhanced Protection New	Guar. Enhanced Protection Old
	$	$	$	$
15	10.85	11.25	17.83	17.85
20	12.28	12.15	19.79	19.26
25	13.97	13.56	22.00	21.19
30	16.17	15.66	24.91	23.98
35	19.14	18.53	28.96	27.90
40	23.19	22.25	34.59	33.07
45	28.54	27.31	42.03	40.07
50	35.66	34.13	51.87	49.45

Records Made By Great-West In November

November has been Great-West Life Assurance Co.'s best month in the year as regards applied for and placed business. Since Nov., 1931, there have never been so many applications submitted, the company reports.

During the month there were 2,594 applications for a total of over $6,530,000, an increase of upward of 50 per cent over Nov., 1934. Two "million dollar days" established records as follows: November 4—over $1,340,000 in applied for business, the biggest single day since June, 1930; November 29—over $1,080,000 of placed business, the largest day for placed business in the company's history.

These production records came as the climax of a two-months "President's Drive," in which all branches participated and all company quotas were exceeded.

M. Ross Gooderham, K. C.

New President of Manufacturers Life Has Long Association With Its Legal, Corporate History

By KENNETH R. WILSON

M. ROSS GOODERHAM

When M. Ross Gooderham, K.C., newly elected president of Manufacturers Life Insurance Company, goes home he likes to sleep, play golf or billiards, and read detective stories. On Sunday, for example, he sleeps late in the morning and lies down again in the afternoon (except during the golf season).

Tall, thin, slow-spoken, and extremely reserved and cautious in speech and manner, Mr. Gooderham is one of the two remaining sons of the George Gooderham whose father in the early thirties came to Canada and built a little grist mill in the eastern section of Toronto and who, in his turn, founded the distillery business around which the family fortunes have been laid.

Reason For Law

"How did you come to be a lawyer?" I asked this 58-year K.C. who alone of the third generation Gooderhams entered the legal profession.

"Chiefly because of Tom Blackstock," he replied. Tom Blackstock was Ross Gooderham's brother-in-law and a partner in the firm of Beatty, Blackstock, Fasken, Nesbitt and Riddell—a firm which brought many prominent representatives to the bar, and was also connected with the Gooderham family by reason of its senior partner, Mr. Beatty, who had married into the Worts family and subsequently became vice-president of Gooderham and Worts and of the Bank of Toronto, another Gooderham affiliate.

So about 40 years ago Mr. Gooderham apprenticed himself to the Beatty-Blackstock firm and read law with these men who were closely associated with his father and with his family's enterprises.

Manufacturers Life

One of these enterprises was, of course, the Manufacturers Life which had been founded ten years before (1887) with George Gooderham as a senior shareholder. The company's original president had been Sir John A. Macdonald who held that office until 1891 when he was succeeded by George Gooderham.

Accordingly, one of Ross Gooderham's earliest memories was his father's life insurance company whose work was entrusted to him from the earliest days when he read law under Tom Blackstock.

Important Change

Things moved evenly for a few years until in July, 1901, George Gooderham died. At this time, Senator George Cox was aggressively active in the life insurance field. He was already closely associated with at least two other companies. He bought George Gooderham's stake in Manufacturers Life and set out to merge the Imperial, the Manufacturers and a third company called Temperance and General Insurance. Everything was arranged to consummate the merger when the Federal Government stepped in and forbade so large a concentration of insurance assets. The scheme fell through and subsequently Mackenzie-Mann interests bought out from Cox the former Gooderham holdings. The merger with Temperance and General Insurance Co. went through, however.

Back To Gooderhams

Another few years went by. Ross Gooderham was still practising law and his early association with the Manufacturers had given him an appreciation of the possibilities from a legal point of view of a life company connection. Accordingly in 1907 he and his brother-in-law Dr. Ross, re-purchased for the Gooderham family their father's former holdings, then held by Mackenzie-Mann interests.

Equally astute was another member of the Beatty-Blackstock firm, Alex Fasken, who established a similar connection by purchasing a controlling interest in Excelsior Life Insurance Co., also held by the late Geo. Gooderham.

Long Association

The rest of the story leads very directly to the day last month when Ross Gooderham became president of Manufacturers Life. With the exception of the few years mentioned, he has been closely associated with the legal side of the company's business through the major portion of its corporate life. He has been vice-president of the company for over five years and as head of the legal firm of Gooderham, Martin & Co. he has been general counsel for the company for a considerably longer period of time. He joins the growing roster of "working" presidents in Canadian life insurance.

He was even managing director of the company prior to the outbreak of the war. This particular appointment arose in a curious way. The previous general manager of the company had died suddenly. Negotiations were undertaken for a very important merger between Manufacturers Life and Sun Life of Canada. Again the Federal Insurance Department stepped in and forbade this corporate marriage. This left a gap for the time being which was filled by Mr. Gooderham for a ten months period prior to the permanent elevation of the late J. B. McKechnie to the general managership.

Insurance Law

A pipe-smoker and greatly liked by those of the company's office and field force who know him, Ross Gooderham would like to start at the beginning of insurance legal lore and trace back to their original sources the streams of legislation that have developed in this field from Britain, France, U.S.A. and Canada, to see how each country came to adopt its particular code. He feels such a study would be very useful as helping toward a clearer understanding of the laws as they stand.

He feels we are legislated to death these days and wishes governments would pay more attention to the development of agriculture and trade and commerce and let the laws take care of themselves. He senses, however, the need for uniformity— particularly in a country like Canada where ten separate jurisdictions vie with one another for legislative control.

Army Experience

The Gooderham family have long been associated with military life in Canada. Ross Gooderham with two exceptions has not shown the same interest as his brothers but these exceptions are nevertheless interesting.

The first was in 1893 when he joined as a private in the Queen's Own Rifles. Shortly afterwards the late General Langton former general manager of the Toronto Harbor Commission formed a group of Q.O.R. lads into a cycle corps. Gooderham joined the corps but gave up in disgust one day when the entire brigade nearly died from cold and exposure.

The habit was to go cycling in the morning and then to parade on the Toronto Waterfront in the afternoon. On this particular day, the young cyclists returned from their expedition hot and perspiring, only to face the cold bitter winds during the afternoon on the parade ground. The army did not see Ross Gooderham again until 1915 when he joined the 48th Highlanders. A year later he went overseas as major with the 74th Battalion, was transferred to the artillery in England and served in France with the 40th Battery until the end of the war.

"Why did you retire?" I asked him.

"I thought I had reached the retiring age," he remarked.

Two Recreations

Ross Gooderham has two recreations (apart from detective stories) one is golf, the other billiards. Although he will not admit it, he plays both excellently. The former game he plays at Toronto Golf Club going around consistently in the early 80's. He has made quite a hobby of billiards and has indeed taken lessons from an expert now in England and formerly with the Ontario Club.

Sport Viewpoint

His viewpoint on sport is based in part on his experience at school. His schooling days (much to his regret) were greatly broken up. Starting at the old Toronto Model School, he was sent at age 12 to Eastbourne Preparatory School in England. At Eastbourne sports were compulsory and every day of the week except Fridays and Sundays found sports taking a regular part in school routine between the hours of two and four in the afternoon. Because there were no sports on Friday, Mr. Gooderham recalls that it was the longest day of the week.

He is high in his praise of this method of introducing sports into the curriculum. Lessons incidentally were continued after four so that the best part of the day should not be missed for sport activities. Ross Gooderham returned to Canada at the age of fourteen and spent some time at Jarvis Collegiate and from there went to Ridley College. Finally, he finished his matriculation under a private tutor but never went to university.

OCCIDENTAL LIFE SPECIAL CONTRACT DIVIDED IN TWO

New Policy Plan Separates Savings and Protection Funds

Occidental Life Insurance Co. with head office for Canada in London is offering in Canada a special policy which aims to segregate the savings from the protection element in the life insurance contract, The Financial Post understands.

In effect, the company undertakes to open two accounts for a policyholder under this plan. One of these accounts would receive regular annual payments on a long term basis.

Deposit Fund

The savings features of the contract is provided by what is called a special deposit agreement which may be taken out at the time the term contract is purchased. This affords an opportunity to accumulate a cash reserve to provide an endowment of the same amount as the insurance policy to mature in 25, 30 or 35 years depending upon the amount to be saved.

An alternative form is the purchase of a guaranteed life income of $50 per month beginning at age 65 which can be provided for by an annual deposit. This deposit agreement participates in profits and guarantees 3½ per cent interest throughout the life of the contract. Surplus earnings are payable every year.

Policyholder May Borrow

An important feature of the plan is that policyholders may borrow from the savings funds at any time without paying interest and without reducing the protection afforded under the term insurance contract, in fact the entire savings account may be withdrawn without reducing the protection portion of the contract.

Another feature is the flexibility afforded by the fact that in times of stress the minimum premium for the protection portion need only be paid and accumulation of additional savings can be deferred. Similarly the savings account may be used to pay premiums on the protection portion or to purchase paid-up life or endowment insurance at net rates.

Objections Met

Objections that might be offered to the plan are that it does not afford the compulsion toward saving money for permanent protection and that it puts the company in the banking rather than in the insurance business.

Against this, it is pointed out that the set-up of the policy and its operation is designed to exert "a gentle but powerful pressure upon the insured so that he is quite definitely encouraged to save usually to provide a life annuity at age 65."

Separate Accounts Not New

The idea of separating protection and savings in a life insurance programme is not a new one and has been tried in Canada on various occasions through the co-operation of insurance companies and banking or trust corporations. Usually, however, the savings feature is handled by a separate organization. and accumulated savings are not automatically interchangeable for the purchase of paid-up life or endowment insurance at net rates, which is a privilege under this optional contract. This plan combines both features under one corporation and has been in operation now for two years in the United States.

Occidental Life, with head office at Los Angeles, Calif., has been doing business in Canada since 1929, although its connection goes back to 1887 through the Western Mutual Life which wrote its first policy in Manitoba and which was later acquired by Occidental. Head office for Canada, formerly at Winnipeg, is now in London, Ont., and is under the supervision of J. W. Miller, general manager for Canada, who has been associated with the company for twenty years. The company has on deposit at Ottawa $754,400 for the protection of Canadian policyholders.

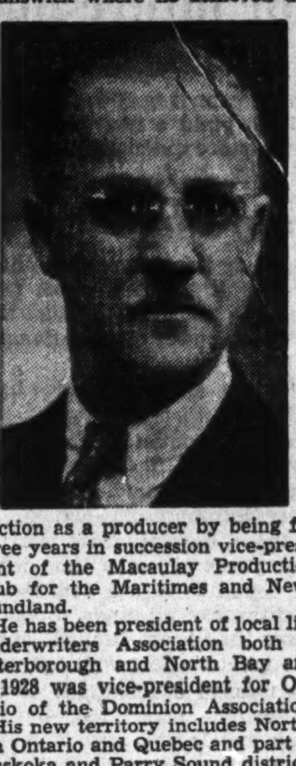
Control of the company in the U.S. is held by Trans-America Corp., of which L. M. Giannini is chairman.

NORTHERN MANAGER APPOINTED BY SUN

N. J. Wootton Returns to North from Maritimes and Peterborough

N. J. Wootton has been appointed manager for Sun Life of Canada in Northern Ontario and Quebec.

For six years, Mr. Wootton has been branch manager for the company at Peterborough and his reappointment to larger responsibilities at North Bay brings him back to a territory which he opened and organized for the company in 1929.



A life insurance veteran of 30 years standing, Mr. Wootton started his life insurance career in New Brunswick where he achieved distinction as a producer by being for three years in succession vice-president of the Macaulay Production Club for the Maritimes and Newfoundland.

He has been president of local life Underwriters Association both at Peterborough and North Bay and in 1928 was vice-president for Ontario of the Dominion Association.

His new territory includes Northern Ontario and Quebec and part of Muskoka and Parry Sound districts formerly included in the Peterborough branch. He is succeeded in Peterborough by Mr. Griplock.

Instalments!

Most things can be bought on the instalment plan nowadays — automobiles, property, furniture, clothing and a host of other articles more or less necessary or desirable.

You may have the use of any of these while paying the instalments but you do not **own** them until you have made the **last** payment.

Ownership of life insurance, on the other hand, dates from the payment of the **first** premium. A single payment on a Sun Life Policy increases your estate to that extent and death automatically cancels future premiums.

The most profitable first payment you can possibly make is an initial premium on a Sun Life Policy—it will guarantee future security for yourself and your family.

Today is the best day to make the future safe with a Sun Life Policy.

SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE—MONTREAL

Licensed under Dominion Insurance Act
Full reserve deposited with the Dominion Government

A Record of Progress

End of Year	Admitted Assets	Life Insurance For Year	Life Insurance In Force
1919	$ 2,419,941.89	$10,938,798.22	$ 28,136,293.78
1924	7,445,394.56	13,729,050.25	66,403,139.13
1929	21,221,562.85	30,682,885.72	150,652,756.13
1934	22,257,383.41	53,552,988.51	183,821,511.22

CAPITAL STOCK — FULLY PAID — ONE MILLION DOLLARS

Surplus as Regards Policyholders—$2,710,492.26

No Beneficiary has ever been compelled to obtain a Court order for the settlement of a Policy or Death Claim.

Nov. 1, 1935—Life Insurance in Force over Two Hundred Millions.

OCCIDENTAL LIFE INSURANCE CO.

Desirable Agency Openings Available

J. W. Miller
General Manager for Canada

G. C. Stevenson
Assistant General Manager

HEAD OFFICE—Canadian Bank of Commerce Bldg.—LONDON, ONT.

PROTECTION

The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost. This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.

Total Benefits paid $125,000,000

Independent Order of Foresters

FRANK E. HAND
Supreme Chief Ranger

HEAD OFFICE: TORONTO, CAN.

An Investment in Good-Will

To employers:—

Consumer good-will is one of the most precious assets any business can possess, and one of the foundations of consumer good-will is employee good-will. Satisfied workers lift the Company's good name higher through the effect of word-of-mouth advertising to the general public of the firm's fair treatment, as well as through better workmanship and better service.

Forward-looking employers today are taking steps to look after their employees' welfare, both through motives of unselfish service and through consciousness of the effect on ultimate profits. Many install plans of Group Insurance to guarantee generous and equitable treatment to all—even to many ordinarily uninsurable—in case of death or sickness or accident. And the number of firms which have maintained Group Insurance with us for ten years or more, even through the stress and strain of depression, indicates the degree to which Group coverage is appreciated by employers and employees alike.

The same advantages of low cost which men find in personal insurance with the London Life applies in the Group field.

Consult a London Life field representative to learn details of how your employees can be served through Group Life and Group Sickn Accident Insurance.

London Life
Insurance Company
"Canada's *Industrial-Ordinary* Company"
HEAD OFFICE - LONDON, CANADA

Fire and Casualty News

TARIFF MERGER NAMES MANAGERS FOR PROVINCES

L. Ham and J. J. O'Brien Appointed in Quebec and Ontario

Organization of the Canadian Underwriters' Association, recently formed through the merger of the three tariff insurance bodies, is gradually rounding into shape. Offices of the association in Montreal and Toronto are being remodelled and a number of changes of personnel have been made.

Most recent appointments are those of the managers of the two offices. At first plans called for the appointment of a secretary for Ontario and Quebec with a sort of general manager in charge of the two. This has been changed and operations in the two provinces will be in the hands of two provincial managers.

Leslie Ham, at present secretary of the Dominion Board of Fire Underwriters, who has been acting secretary at Montreal since the death of R. N. Cornish, has been appointed manager of that office subject to his release from his present position. The Toronto branch will be in charge of J. J. O'Brien, formerly Ontario manager of the North British & Mercantile Insurance Co.

Consider Constitution

Officers of the association are very wary of giving out information for publication until after the general meeting to be held on Dec. 17 at Montreal. At this meeting it is understood that among other business the constitution will be considered, and if approved, adopted. The constitution was considered at the annual meeting of the tariff bodies at Murray Bay this summer by the individual associations; now it will be gone over by the three bodies merged into the one association.

Operations are said to be going on in exactly the same manner as before the merger with no radical departure in policy contemplated.

Large Hamilton Fire

Loss estimated at $225,000 was suffered in a fire in the Royal Markets Building, Hamilton, on Dec. 5. Some 82 occupants of the building, formerly the Royal Hotel, escaped unharmed. Origin of the fire is as yet unknown.

Lloyd's Obtain Alberta License For Insurance

Lloyd's of London has been granted a charter to operate in Alberta under an order recently approved by the provincial cabinet. This marks another milestone in the group's programme of writing insurance throughout the Dominion. No branch will be established in the province; business will be written through already-established agencies.

The Alberta license was granted without the customary deposit for the benefit of Canadian policyholders, as was also done in Ontario and Quebec where Lloyd's is already registered. It authorizes writing all lines of business except life and hail. It was believed by the provincial department of insurance that the latter class could not very well be carried on as direct insurance under present regulations. Hail risks can however, be re-insured at Lloyd's.

The question of a license was submitted to the government of Alberta early this year, but the United Farmers' government then in power refused permission. Considerable opposition was offered by insurance companies already operating in the province.

It is understood that Lloyd's has agreed that in actions arising out of their policies they will submit to the jurisdiction of the Canadian courts. An arrangement is also said to have been made with the insurance departments of the governments licensing Lloyd's whereby in the event of dispute legal documents may be filed locally.

National Life Co. Appoints Managers

Important agency changes have been announced recently by National Life Insurance Co. as follows:

A. E. WALL, appointed manager of the company's Toronto office.

EDWARD A. HORTON, Jr., appointed branch manager at London, Ont.

FRANK PROBY, appointed manager for British Columbia.

THE MANUFACTURERS LIFE INSURANCE COMPANY
HEAD OFFICE
TORONTO, CANADA
Established 1887

Speaks to Young Men

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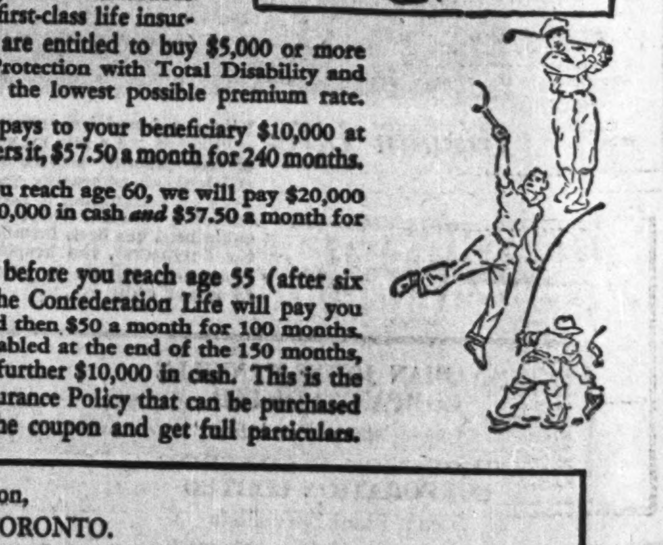

WHAT do we mean by "Super-Select"? Simply this: that if you are healthy, with a good family history, and not engaged in a hazardous occupation, you are probably a first-class life insurance "risk" and, consequently, are entitled to buy $5,000 or more Confederation Life Insurance Protection with Total Disability and Double Indemnity Benefits, at the lowest possible premium rate.

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Association

Ontario's Power Shortage

Hydro Cannot Supply Demand in Niagara System from Its Plants — Eventually Will Need All Quebec Power

It is not the shortage of hydro-electric power now existing in Ontario to which the title refers.

It is the possible shortage five, ten, twenty years hence.

Cancellation of long-term contracts of the Ontario Hydro Commission to buy hydro-electric power from four Quebec firms is likely to prove a momentous step for the wealthiest province of Canada. Apart from the unmoral nature of any repudiation, the financial cost over a generation will be immeasurable. There is a possible danger that Ontario industries will, in a few years, find themselves without adequate supplies of cheap power; unless, of course, new, long-term contracts are arranged with the Quebec companies.

Facts of Situation

The facts are these:

Demand for electric power is rising sharply in Ontario.

The Ontario Hydro cannot now supply all the power that is required in the densely populated southern sector.

There is no cheap supply of coal in Ontario to generate steam power.

It would cost the Ontario Hydro as much, or more, to erect steam power plants and to operate them, than to continue to pay for most of the Quebec power supply. And steam plants will not take care of the rising demand for firm power at all economically in a few years.

Additional hydro-electric power can only be developed in Ontario over some years and at great expense, whereas the Quebec power is available without any new capital outlay.

It is on these grounds that the view has been expressed widely that Ontario should try to adjust the Quebec contracts, rather than to proclaim any default. As time goes on and the demand for power in Ontario continues to rise, the position of the Hydro Commission may become steadily weaker in that it will have no option but to buy power at any price demanded.

Supply and Demand

The Niagara System, Hydro's southern Ontario power field, is far the biggest source of supply and demand for electric energy in Ontario. Theoretically, the Hydro Electric Power Commission of Ontario can generate power at a maximum of 1,000,000 horsepower to supply this system. Actually, it can't.

The Hydro report for 1934 cautions that this maximum reflects "the capacity of the various plants under the most favorable operating conditions that can be considered as normal." It points out that such things as changes in water levels must alter the calculations of maximum capacity.

"Maximum normal plant capacity," says the report, "cannot be taken as an indication of the dependable capacity of the various plants; in some cases, it is, but in many cases it is not."

Hence, engineering estimators calculate that Ontario should have a margin of perhaps 100,000 horsepower of power in the Niagara System over probable peak demand. It hasn't any such surplus, as examination of power loads shows.

The peak load of primary power in Ontario in Hydro's Niagara System in 1934 was just short of 960,000 horsepower, or within 40,000 horsepower of the theoretical peak of Hydro's own supply. This month, the peak load is expected to come very close to 1,000,000 horsepower, and it may actually exceed that figure. In its Niagara System, the Ontario Hydro actually has a power shortage already.

Evidence of Shortage

It was on account of the shortage of power in southern Ontario that provincial authorities undertook to buy power from Gatineau Power Co. simultaneously with cancellation of this company's contract along with the other three.

It is also on account of the power shortage that Ontario politicians have been arranging to buy power, if necessary, from the New York side of Niagara Falls, in order to be able to cancel the contracts without risking an immediate power failure.

It is also on account of the shortage that Hon. Arthur Roebuck, attorney-general of Ontario, has talked of building steam plants. No one knows better than Ontario Hydro officials and provincial authorities that power must be generated or bought from additional sources to supply southern Ontario; not next year, but in this very month of December, 1935.

Steam Inadequate

"Peak" demand for power lasts only a short time on certain days of the year. Hence, Ontario could spend several million dollars and build steam plants which could generate power to supplement water power at times of peak loads. Because of the expense of bringing coal into Ontario, however, it would be costly to depend on steam plants to provide a steady supply of power. This means that as the average monthly demand for power in Ontario grows, it will become progressively more expensive to employ steam to generate electric energy.

The growth in average demand for firm power in the huge Niagara System is indicated by changes in the lowest monthly peak each year. In the worst month of 1931, the peak demand for firm power in the Niagara System was approximately 660,000 horsepower. In 1935, the poorest month showed a demand of some 800,000 horsepower. The Hydro's own plants can barely supply this minimum monthly peak in comfort. Next year, and in years succeeding both, the peaks are expected to rise sharply as economic recovery continues.

Omits Big Demand

In the foregoing exposition of the Hydro power shortage, no reference has been made to demand or supply in connection with "secondary" power. This is power which is used in industries at low rates, being bought at times when other power demand drops off. Or it is bought at a low rate because of an excess of total supply. It is because of its excess supply that the Ontario Hydro has been selling part of its power at low "secondary" rates.

It is necessary for any electric power area such as the Niagara System to sell some secondary power, if it maintains a surplus supply. At present, the Niagara System requires an excess of power because it has encouraged several large industries to operate with this cheap power. If the energy were shut off suddenly, these industries would have to shut down and throw their workers on the relief rolls. In time, they would be able to install steam plants to generate their own power from coal. Hence, the Hydro has arranged to obtain a special supply of power from Gatineau Power Co. to keep these industries going while they prepare their steam plants.

Revelations in Statement

All these things and some others are revealed in the official government statement in connection with proclamation of the hitherto dormant Act by which the Hydro power contracts were cancelled.

The four Quebec companies concerned are Gatineau Power Co., Ottawa Valley Power Co., Maclaren-Quebec Power Co. and Beauharnois Light, Heat & Power Co.

Government Statement

Hon. Arthur Roebuck issued the official explanation of the cancellation of contracts on Dec. 6, as follows:

"The Ontario government this afternoon met representatives of the Quebec power companies, and after prolonged negotiations failed to reach any agreement. The proceedings finally closed in the Premier's office when, in the presence of all members of the cabinet, and Mr. Symington, as spokesman for the Beauharnois, Maclaren and Ottawa Valley companies, and of Mr. Graustein, of the Gatineau company, the Prime Minister announced that in view of the companies' inability to submit any offer which was possible of acceptance, the government would forthwith proclaim the Power Act, and would refer to the Hydro Commission the question of the future purchase of power on the distinct understanding that no more power will be purchased than is actually required.

"Continuation of negotiations as to purchase of the Hydro requirements must necessarily await the conclusion of the Ottawa conference. In the meantime, conditions as they now exist will continue.

"No power is now being received from Beauharnois, Maclaren or Chats Falls (Ottawa Valley), and a limited amount of approximately 85,000 horsepower is being taken from Gatineau on the primary demand, and about 113,000 for steam generation purposes.

"The companies had not been able to agree on a combined offer. Beauharnois, Maclaren and Ottawa Valley joined in one offer and Gatineau made a different offer on its own behalf.

Offer Refused

"The three companies offered to reduce the amount of the Hydro's aggregate commitment, including Gatineau, from 733,000 h.p. by an amount of 191,440 h.p., leaving the Hydro to absorb a balance of 542,000 h.p. An abatement in price was suggested, and refused, so that this amount of power at $15 per horsepower would involve a payment annually of $8,130,000.

"Aside from the energy now being temporarily used for the production of steam, as the Hydro's requirements this winter will not exceed 100,000 h.p. primary demand, or, at the contract price of $15, an amount of $1,500,000, the companies' offer was on a basis of loss to the Hydro of $6,630,000 per year.

"This, the government immediately announced to be impossible, notwithstanding that it was pointed out that the loss would decrease should the demand for power increase.

"The Prime Minister enquired as to whether the representatives of the companies were armed with authority to amend their contracts. The reply was in the negative. It was admitted that no accredited representatives of the bondholders were present. It was thought, however, that the bondholders would later approve some reasonable concession.

Power as Needed

"The spokesman on behalf of the Hydro Commission asked if the companies were prepared to sell to the Hydro the amount of power that the power users required and no more. This suggestion on behalf of the Hydro was declined by the companies.

"The parties having reached an impasse the conference was adjourned in order that the government might meet with the representatives of the Gatineau company.

"As spokesman for the Gatineau, Mr. Graustein offered a revision of the contract by the elimination of certain objectionable features. The company was not prepared to surrender its complete rights to shift to the Hydro increased costs due to new Quebec taxation. This reservation, the premier declared, was fatal to any agreement.

"The Gatineau company proceeded to offer to supply the Hydro with the 100,000 h.p. required for this winter's maximum demand and to continue to supply power in additional amounts as demand grows throughout the years until the full 260,000 h.p. mentioned in the contract is again absorbed.

Supply Power for Steam

"The power at present being used for the generation of steam, the Gatineau is prepared to continue to supply until such time as the Hydro's customers can equip their plants for the production of steam by coal-fired boilers and to charge for this energy pro rata on the basis of the time for which it is used. This power is now being sold by the Hydro at less than $2.25 per horsepower though purchased at $15 per horsepower, involving an annual loss of over $2,000,000.

"Following the conference with the Gatineau representatives, the cabinet went into council. The situation was fully considered, and in view of the altogether unsatisfactory offers received and the inability of the company representatives to surrender the contracts for revision without further authority from the bondholders, it was decided that the Act must be proclaimed. An order-in-council was accordingly passed and the fact was announced to the companies.

"Further negotiations will be carried on by the Hydro Commission for the purchase by the Hydro of the power it actually requires and no more."

Confession at End

The last sections of this statement amount almost to a confession. There is an inference that the Power Act was proclaimed so as to allow bondholders to enter the picture. This, it is implied, would enable the companies to "surrender the contracts for revision."

The Hydro actually requires most of the power contracted for from Gatineau Power Co. under the abrogated deal. Mr. Roebuck says so himself.

The Gatineau firm, however, is to supply the Hydro's needs for the Niagara System as the power is required. This tides the Hydro over the heavy winter demand for power.

Why, then, is it necessary to negotiate for the purchase of any more power, as is implied in Mr. Roebuck's closing statement?

Apparently the major reason is that Ontario authorities know that the demand for power is rising and is likely to continue to rise. It has been estimated that by 1939 the peak demand for primary power alone in the Niagara System will be somewhere between 1,250,000 and 1,500,000 h.p. If this were to occur, as it may, and if the power curve continues to rise in succeeding years, the Ontario Hydro would not only need all the Quebec power for which it originally contracted, but would soon be looking for more sources of supply.

The reassuring phase of the official statement is the admission of need for outside power, even if made grudgingly, and the announcement of further negotiations.

Liquor Advertising Remains Under Ban

Possible revision of the regulations prohibiting advertising of liquor, beer and wine in Ontario—in the light of recent tariff changes affecting importation of foreign magazines—has not been discussed by the Ontario government as yet, The Post is informed by E. G. Odette, chairman of the Liquor Control Board of Ontario.

The whole question of liquor advertising within the province is a matter of the present administration's policy, Mr. Odette explained. Any change in existing regulations will be a matter for discussion between Mr. Odette's department and the government.

To date, no discussion has taken place and there is no indication that the matter is slated for early consideration.

POWER CONCERNS CLAIM EXEMPTION FROM SEC RULING

New England Power Only Unit to Comply With Holding Company Act

From Our Own Correspondent

MONTREAL. — International Paper & Power Co. and its subsidiary, International Hydro Electric System, are filing with the Securities Exchange Commission, application for exemption from the provisions of the Public Utility Holdings Company Act.

The claim is made that neither company is itself a public utility company or derives any material part of its income from subsidiary companies, the principal business of which, within the United States, is that of public utility companies.

In order to qualify for exemption, International Hydro Electric System has relinquished its voting control of the New England Power Association, its principal American subsidiary, by turning over to voting trustees the right to vote its common shares in the association.

International Hydro Electric System retains, for the benefit of its own security holders, its property rights in the association shares, including the rights to receive dividends if, at any future time, the association should resume dividends on its common shares.

Three Voting Trustees

The voting trustees for the New England Power Association common shares are: Frank D. Comerford, Boston, president of the Edison Electric Illuminating Co. of Boston, chairman of the board of New England Power Association; The Hon. Sidney St. Francis Baxter, of Portland, Maine, associate judge of the Supreme Court of Maine; and Robert H. Montgomery, of Boston, attorney and director of the American Woollen Co.

Mr. Comerford has resigned as an officer and director of International Hydro Electric System and of International Paper & Power Co. Mr. Graustein has resigned as a director of New England Power Association.

New England Power Association no longer has any common officers or directors with International Paper & Power Co. or International Hydro Electric System.

New England Filing

New England Power Association itself is filing with the Commission a notification of registration, but in so doing is reserving all its constitutional rights. Under the provisions of the Act, the Securities Exchange Commission has authority to permit continued existence of the holding company, which is geographically and economically integrated. The management believes that the association meets this definition, although it is possible that some simplification of inter-company relationships may be required.

Halifax Mayor Finds Toronto Behind Times

Mayor E. J. Cragg, of Halifax, on a recent visit to Toronto, was surprised to find that mechanical accounting devices are used only to a minor extent in Toronto civic offices.

Coast Drainage Area Covered in New Survey

From Our Own Correspondent

MONTREAL. — Volume 67, dealing with the surplus water supply of Canada, has been issued by the Dominion Water Power and Hydrometric Bureau of the Department of the Interior. This number contains the results of investigations made by the Dominion Hydrometric Survey during the climatic year October 1, 1929, to September 30, 1930, in British Columbia.

The report contains a short explanation of the purpose and scope of the work and stream flow data covering the principal rivers and streams in the province; also temperature, precipitation and evaporation records for a number of stations during the same period.

NEW PULP MILL NEAR VANCOUVER TO MAKE RAYON

500-ton Capacity — Sponsors Seek City Power

From Our Own Correspondent

VANCOUVER.—Plans for establishment of a 500-ton pulp mill in British Columbia, preferably near Vancouver, were outlined to The Financial Post by William Meehan, who has been negotiating with the Vancouver city authorities for the use of Cheakamus power rights. Whether or not Cheakamus is made available, Mr. Meehan says the mill will be built and its chief product will be rayon pulp.

J. P. Meehan & Company, of which William Meehan is one of the directing heads, have been in the timber business here for 25 years and have been representing holders of several billion feet of timber. Mr. Meehan says that these timber holders are anxious to get a return on their investment and that establishment of a rayon mill is regarded as a logical step.

May Be at Squamish

Cheakamus is located about 20 miles north of Squamish, which is the southern terminus of the Pacific Great Eastern Railway on Howe Sound. Squamish might be the site of the proposed mill, but the Meehans would prefer a location nearer Vancouver.

The Meehans have been dickering with the city authorities for Cheakamus for some months. Although the city does not own Cheakamus, it has certain rights to the watershed. As long as a faction of the aldermen continue to play with the idea of going in for municipal ownership of public utilities the Cheakamus power rights figure as a possible source of municipal power.

Popular sentiment in Vancouver, however, seems to be generally oposed to a municipal venture in power.

Marking Time

Until the city makes up its mind about whether or not it wishes to reserve Cheakamus the pulp mill project will mark time.

If the Meehans are unable to make a satisfactory deal for Cheakamus, they say they will take steps to find the necessary hydro facilities at Nimpkish River, where International Harvester was interested in a paper project some years ago.

Prince Rupert Mill

Financing of the new Prince Rupert pulp mill is still in progress, and construction is expected to start early next year.

Status of Vancouver Kraft, for which an operating company was incorporated a couple of months ago, remains unchanged.

Powell River Company and Pacific Mills, Ltd., the two newsprint producers, are operating full time and will adopt the $41 base price agreed on in the east.

B. C. Pulp & Paper, hard hit by the Japanese embargo, is carrying out a $250,000 improvement programme at its Woodfibre and Port Alice plants and will be in good shape to take care of the Japanese business when it returns.

ALBERTA'S BEER PLAN MAY ADD TO REVENUE

Government Distribution Expected to Net $90,000 Yearly

Although they were consulted on several occasions, brewery interests of Alberta were refused any decisive part in determining details of the new plan by which beer is to be distributed as an Alberta government enterprise after March 1 next.

Alberta authorities, who estimate the new plan will bring an annual profit of $90,000, are understood to have formed the plan according to their own views. The effect will be to take the brewery distribution system out of the hands of Distributors Limited, the brewing company's selling agency and to place it completely under government control.

Under this system the province will profit to the extent of the spread between the wholesale price which the government pays the brewery, and the retail price at which the government sells to consumers.

Footnotes to Ottawa

Lower Gasoline Tariff?

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Merge Departments

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Unifying More Departments

From Our Own Correspondent

OTTAWA.—The tariff board has concluded public hearings in the most hard-fought tariff investigation ever staged here.

The gasoline inquiry took the board from Vancouver to Halifax and produced an array of all the provincial governments against the oil companies. Tariff on gasoline, prior to 1930, was one cent per gallon. The Bennett government boosted the rate to 2½ cents. The provincial governments are demanding free entry from the United States and put up a very strong case.

The oil companies, notably Imperial Oil Company, made a strong defense of the existing tariff, and the matter now rests with the board.

The board's recommendation to the Minister of Finance will be made in time for action in the 1936 budget and the view in informed circles at the capital is that, despite the arguments of the refiners, there will be a cut in the protection they now enjoy.

It is definitely not expected that the reduction will be more than one cent per gallon.

Three Deputies to Go

PLANS for the consolidation of various departments of the government are proceeding rapidly, and legislation completing the process of fusion begun by Premier King when the cabinet was formed will be introduced at the coming session.

The Immigration, Mines and Interior departments will be completely unified. This was expected.

But it now appears that the railways and canals and marine departments are to be consolidated into one. This was not expected. At least three deputy ministers will disappear when the 1936 statutes go into force.

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Economies Continue

WITH the treasury board in session two or three days each week, evidences of the economy drive are in evidence in all departments.

Hon. C. A. Dunning is endeavoring to cut down estimates for all departments and is seeking instant action halting work on all projects which are subject to cancellation or delay.

Municipal Finances

Montreal Metropolitan Commission municipalities' arrears of taxes at the end of November were 17.7 per cent of the current levy, compared with 20.3 per cent a year earlier.

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Fort Frances, Ont., tax collections are showing improvement. In 1934, including arrears, collections were 103.2 per cent of the levy. A cash surplus is expected in 1935, and there is likely to be a reduction in the bank loan, which was $160,000 at the end of 1934.

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Winnipeg current tax collections for the first ten months of 1935 were 65.2 per cent of the levy, compared with 62.5 per cent in 1934. The city's unemployment relief expenditures in the ten months were $1,587,998, compared with $1,256,532 in the 1934 period. All relief is being funded. The Dominion government is to be asked to carry on its 40 per cent contribution to the sewage disposal scheme started by the city with the help of the Bennett government.

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Toronto council has authorized supplementary appropriations of $284,449 to cover welfare expenditures in excess of budget allowances. To Nov. 30, the city spent $35,831,464 of the budget of $39,046,123.

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Calgary relief costs amounted to $926,198 up to November, compared with $900,736 in the same period of 1934. The city has boosted its request for a loan from the Dominion to $150,000, and is also trying, through the Alberta government, to get Dominion government help in refunding the city's debt.

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Kitchener assessment for 1936 is $25,664,546, compared with $25,627,698 in 1934. This increase for 1936 excludes income tax assessment, because Ontario is going to levy an income tax, from which the city expects to get some revenue. Last year's income tax levy was $627,072.

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Black Lake, Que., is paying interest coupons due Oct. 1 and Nov. 1, 1933.

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Regina has approved expenditure of $600,000 to bring its power plant up to date. The Saskatchewan local government board has proposed that the work be financed through the city's sinking fund.

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Windsor budget of $3,150,000 for its four merged municipalities has received some criticism from Mayor Bennett, but is firmly supported by the Windsor finance commission, which drew it up. Donald McGregor, of the finance commission, states that the tax rate is expected to produce about $4 millions, which would leave $850,000 for principal and interest charges on debt of nearly $40 millions.

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Cap de la Madeleine, Que., is paying coupons due Dec. 1, 1935.

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St. Simeon, Que., is paying coupons for Nov. 1 and Dec. 1, 1935, on by-law 2 and by-law 6 bonds.

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Victoria, B.C. tax rate is expected to rise to 43 mills for 1936, but this will be offset by reductions in total assessments. A small deficit is expected for 1935. Relief is being funded and this year sinking fund for relief debentures was not met.

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Edmonton tax collections to Nov. 30, including arrears, were $3,690,924, compared with $3,282,769 for the same 1934 period. Current taxes collected were $2,570,269, against $2,384,460 in the 1934 period. The comparison of arrears is $837,632 against $613,083. Collections for the year will at least equal the tax levy, which, however, was about $167,000 short of estimated expenditures.

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E. H. Fairty

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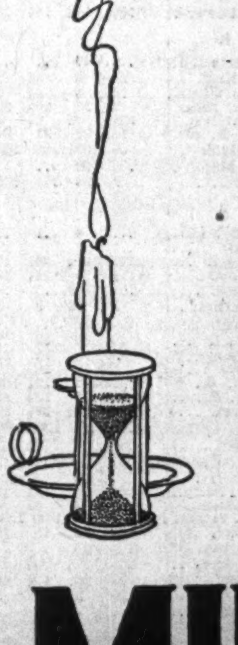

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have often come from humble homes

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WEEK ENDING DECEMBER 9

Range 1935 High	Range 1935 Low	Divd. Rate $	Y'ld in % Dec. 7	Company	Sales	Close Dec. 2 (or last)	Week Ending Dec. 9 High	Low	Close
				A					
2.00	.50	*	...	Abitibi	2552	1.20	1.25	1.10	1.20
9½	3		...	Do. pref. 6%	840	6½	6½	6	6½
6½	3	*	...	Do. cert. dep.	120	6	6	6	6
5	5	*	...	Acadia Sugar	....	5	..	..	..
7	3		...	Acme Glove	155	6½	7	7	7
47	32	3.25	7.1	Do. pref.	10	46	46	46	46
10	7½	40+20c	6.2	Agnew Surp.	110	9½	9½	9½	9½
108½	96	7	6.9	Do. pref.	10	100	100½	100½	100½
3½	1	*	...	Alta. Pac. Gr.	90	3	3½	3½	3½
29	15	*	...	Do. pref.	695	25	27½	24	27
35	35	*	...	Aluminium	....	35	..	..	..
97	97	*	...	Do. pref.	25	..	97	97	97
2	1½	*	...	Amal. Electric	....	2	..	..	..
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Range 1935 High	Range 1935 Low	Divd. Rate $	Y'ld in % Dec. 7	Company	Sales	Close Dec. 2 (or last)	Week Ending Dec. 9 High	Low	Close
30½	24	1.50	...	Ham. Cot. pf.	....	25	..	..	..
2½	½	*	...	Ham. U. Theat.	30	½	½	½	½
60	48	4	8	Do. pref.	....	50	..	..	..
3½	2½	*	...	Harding Carpet	825	2½	3	2½	3
13½	10	50c	...	Hinde & Dauch	500	13	13½	13	13½
6	5	*	...	Holt Renfrew	....	5	..	..	..
30	25	*	...	Do. pref.	....	25	..	..	..
.60	.15	*	...	Honey Dew	....	.45	..	..	..
8	6	*	...	Do. pref.	....	7	..	..	..
13	9	*	...	H. Smith Pap.	393	12	12	11	11
115	84	*	...	Do. pref.	360	113½	115	110	115
35½	28	2	5.7	Humberstone S	....	35	..	..	..
11	6	*	...	Hunts (A)	....	6	..	..	..
11	7	*	...	Do. (B)	....	7	..	..	..
103	80	6	7	Huron & E. Mt.	17	84	86	85	85
17½	14	*	...	Do. 20% pd.	15	14½	14½	14½	14½
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Canadian Bond Markets

Government Bonds

(Furnished by Toronto Bond Traders' Assoc.)
December 11, 1935

Dominion of Canada Bonds

Issue	Rate	Due	Bid Dec. 11	Asked Dec. 11	Approx. Yield	Bid Dec. 4
Dominion	2	15 Oct. 1936	100.15	100.70	1.13	100.15
Dominion	5	15 Nov. 1936	102.50	103.50	1.20	102.50
†‡Dominion	5	1 Mar. 1937	105.35	106.35	...	105.50
‡Dominion	5½	1 Dec. 1937	107.00	108.00	1.35	107.25
Dominion	2½	15 Oct. 1939	100.75	101.75	2.03	100.75
Dominion	4	15 Oct. 1939	105.75	106.75	2.17	105.75
Dominion	4½	1 Sept. 1940	108.25	109.25	2.41	108.50
Dominion	5	15 Nov. 1941	109.50	110.50	3.05	109.75
Dominion	3	15 Oct. 1942	102.00	103.00	2.52	102.00
Dominion	2½	1 June 1943	99.75	100.75	2.39	99.75
Dominion	5	15 Oct. 1943	110.50	111.50	3.32	110.75
Dominion	4½	15 Oct. 1944	108.50	109.50	3.25	108.65
Dominion	4	15 Oct. '43-45	105.15	106.15	3.11▲	105.35
Dominion	4½	1 Feb. 1946	108.35	109.35	3.40	108.65
Dominion	3½	15 Oct. '44-49	101.00	102.00	3.24▲	101.25
Dominion	4	15 Oct. '47-52	104.75	105.75	3.41▲	105.00
Dominion	3	1 June '50-55	97.00	98.00	3.14	97.25
Dominion	4½	1 Nov. '46-56	106.50	107.50	3.66▲	106.50
Dominion	4½	1 Nov. '47-57	106.50	107.50	3.71▲	106.50
Dominion	4½	1 Nov. '48-58	106.75	107.75	3.74▲	106.75
Dominion	4½	1 Nov. '49-59	106.75	107.75	3.78▲	106.85

Dominion Guaranteed Bonds

Issue	Rate	Due	Bid Dec. 11	Asked Dec. 11	Approx. Yield	Bid Dec. 4
*G. T. P. Ry.	3	1 Jan. 1962	97.75	98.75	3.07	98.25
Can. N. Ry.	3	1 May 1944	100.00	101.00	2.88	100.00
Can. N. Ry.	3	15 Dec. '45-50	97.25	98.25	3.15	97.75
*Can. N. Ry.	4½	1 Sept. 1951	109.50	110.50	3.82	109.75
*Can. N. Ry.	4½	1 Feb. 1956	109.50	110.50	3.76	110.00
†Can. N. Ry.	4½	1 July 1957	108.50	109.50	3.85	109.00
*Can. N. Ry.	4¾	15 June 1955	111.75	112.75	3.83	112.25
Can. N. Ry.	5	1 Feb. 1954	112.75	113.75	3.94	113.00
*Can. N. Ry.	5	1 July 1969	112.75	113.75	3.63▲	113.00
*Can. N. Ry.	5	1 Oct. 1969	114.25	115.25	3.85▲	114.50
*M. Harb. C.	5	1 Nov. 1969	114.50	115.50	3.83▲	115.00

Provincial Government Bonds

Issue	Rate	Due	Bid Dec. 11	Asked Dec. 11	Approx. Yield	Bid Dec. 4
Eastern—						
†N. Bruns.	4½	15 Apr. 1961	107.00	108.50	3.96	107.25
†N. Bruns.	5	15 Jan. 1960	112.50	114.00	4.09	112.75
N. Bruns.	5½	15 May 1950	112.50	114.00	4.20	113.00
N. Scotia	4½	15 May 1943	106.25	107.50	3.36	106.50
†N. Scotia	4½	15 Sept. '47-52	107.25	108.75	3.60▲	107.75
N. Scotia	4½	15 May 1961	108.50	109.75	3.89	108.75
†N. Scotia	5	1 Mar. 1960	113.00	114.50	4.06	113.50
*Ontario	4	1 June 1962	102.50	104.50	3.73	103.50
*Ontario	4½	1 Sept. 1944	107.50	109.00	3.31	103.00
Ontario	4½	1 June 1950	106.00	107.50	3.82	107.00
*Ontario	4½	15 Jan. 1962	108.00	110.00	3.89	108.00
Ontario	5	15 Oct. 1948	109.50	110.50	3.95	110.25
*Ontario	5	2 Dec. 1960	114.00	115.75	4.00	114.50
Ontario	5½	1 July 1946	113.00	114.00	3.91	113.25
O. H. C.	3½-4-5	1 Oct. '33-53	100.25	101.25	4.31●	100.25
*Ont. Hyd. C.	4	1 Aug. 1957	102.50	104.50	3.70	104.00
Ont. Hyd. C.	4¾	1 Jan. 1970	110.00	112.00	4.09	110.50
Quebec	4	15 Mar. 1953	105.75	107.25	3.42	106.25
Quebec	4¼	1 Aug. 1958	108.25	109.75	3.62	108.75
Quebec	4½	2 Jan. 1963	110.75	112.25	3.78	111.25
Western—						
†Alberta	4	1 Dec. 1957	83.00	86.00	5.08	87.00
†Alberta	4½	1 Oct. 1958	87.00	90.00	5.29	89.00
†Alberta	5	1 Jan. 1948	92.00	95.00	5.57	95.00
Alberta	5	1 Sept. 1955	89.00	92.00	5.67	92.50
*Alberta	5	1 Oct. 1959	94.00	96.00	5.30	96.00
†Alberta	5½	1 Jan. 1947	94.00	96.00	6.00	99.00
Alberta	6	1 Mar. 1947	94.00	97.00	6.37	98.50
†Brit. Col.	4	1 Dec. 1957	91.00	93.00	4.50	93.00
*Brit. Col.	4½	15 Jan. 1951	96.00	98.00	4.69	97.50
†Brit. Col.	4½	1 Oct. 1953	95.50	97.50	4.71	97.00
†Brit. Col.	5	15 Jan. 1948	99.00	101.00	4.88	100.25
Brit. Col.	5	1 Sept. 1953	98.50	100.00	5.00	99.50
Brit. Col.	5½	1 Feb. 1945	99.50	100.50	5.43	100.00
Brit. Col.	6	15 Feb. 1947	100.00	101.50	5.81	102.00
†Manitoba	4	1 Dec. 1957	98.50	100.00	4.00	99.00
†Manitoba	4½	15 Dec. 1956	100.00	102.00	4.35	102.00
†Manitoba	5	15 June 1954	104.00	107.00	4.45	105.00
*Manitoba	5	2 Dec. 1959	106.00	109.00	4.39	107.50
Manitoba	5½	1 Oct. 1955	106.00	107.00	4.94	106.50
Manitoba	6	1 Apr. 1947	106.50	108.00	5.07	107.00
Sask.	4	15 Aug. 1953	86.50	88.00	5.02	88.25
*Sask.	4½	2 July 1945	96.00	98.00	4.78	97.00
†Sask.	4½	1 Oct. 1951	94.00	95.50	4.91	94.50
Sask.	5	1 Aug. 1958	98.00	99.00	5.07	99.00
†Sask.	5½	15 Nov. 1946	100.00	102.00	5.25	101.50
Sask.	6	15 Mar. 1952	103.00	105.00	5.53	104.50

Municipal Bonds

Issue	Rate	Due	Bid Dec. 11	Asked Dec. 11	Approx. Yield	Bid Dec. 4
†Calgary	5½	2 June 1944	84.00	88.00	7.43	84.00
†Edmonton	5½	1 Nov. 1945	83.00	86.00	7.52	85.00
†Halifax	5	1 July 1961	111.00	112.50	4.20	112.00
Hamilton	5	1 May 1950	106.75	109.75	4.10	106.75
Montreal	5	1 Mar. 1945	105.25	106.75	4.11	106.00
Ottawa	4½	1 July 1945	105.50	108.50	3.46	105.50
†Quebec	5	1 June 1959	108.00	109.50	4.35	108.50
Regina	5	1 July 1944	85.00	90.00	6.55	84.00
St. John	5	15 Dec. 1950	108.00	109.50	4.14	108.00
†Toronto	4½	1 Jan. 1955	107.00	110.00	3.76	108.00
Vancouver	5	1 June 1969	90.00	93.00	5.46	91.00
Victoria	5	21 July 1945	95.00	98.00	5.26	95.00
Winnipeg	5	1 Mar. 1944	101.00	104.00	4.41	102.00

*Payable Can., N.Y. & £. ▲Calculated to call date giving lowest possible yield. †Payable Can. & N.Y. ●Calculated to maturity, although callable prior to that date. ‡Exempt from Dominion income tax.

The Financial Post's Quotations

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of

Mining Stock Quotations

WEEK ENDING DECEMBER 9

Par Val.	Range 1935 High	Range 1935 Low	Company	Sales	Close Dec. 2 (or last)	High for week	Low for week	Close Dec. 9
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
1	1.67	.73	Reno Gold	36,650	.95	1.15	.95	1.08
1	.02½	.00½	Ritchie	5,500	.01	.01½	.01	.01½
1	.10½	.02	Robb Montbray	172,700	.06½	.06	.04½	.05½
1	.10½	.02½	Roche Long Lac	13,000	.04½	.05	.04½	.04½
1	5.20	2.00	San Antonio	69,686	2.97	3.65	2.94	3.55
50c.	1.25	.54	Sheep Creek	7,050	.75	.75	.67	.75
1	1.23	.45	Sherritt Gordon	157,209	1.07	1.23	1.07	1.19
1	3.20	2.40	Siscoe	37,845	2.60	2.75	2.58	2.75
1	5.10	3.30	South Amer. Gold	......	5.00	.....	.....	.....
No	.15	.02	South Tiblemont	184,500	.03½	.04	.03	.03½
No	.32	.13½	Stadacona	157,140	.15	.19½	.15½	.17
1	.39	.14½	St. Anthony	19,800	.18	.23½	.17½	.23
No	4.10	1.25	Sudbury Basin	58,505	2.95	4.10	2.95	3.75
1	.11	.03	Sudbury Contact	6,500	.07	.07	.06½	.06½

OIL STOCKS

VANCOUVER STOCK EXCHANGE
(Transaction for Week to December 6.)

Par Val.	Range 1935 High	Low	Company	Sales	Close Nov. 29 (or last)	High for week	Low for week	Close Dec. 6
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OIL STOCKS

Montreal, Toronto and Curb Markets (Cont'd)

Range 1935 High	Range 1935 Low	Divd. Rate $	Y'ld in %	Company	Sales	Close Dec. 2 (or last)	High	Low	Close
27	16	*	...	Wabasso Cot.	260	21	24	20½	24
35	23	*	...	Walker-Good.	7360	30½	33½	31	32½
18½	16½	1	5.6	Do. pref.	5165	17½	17½	17½	17½
4.25	2.00	*	...	Walkerville Br.	1400	2.67	2.67	2.57	2.62
2.75	1.00	*	...	Waterloo Mfg.	50	1.50	1.75	1.75	1.75
6½	2½	*	...	West. C. Flour.	25	6½	6½	6½	6½
52	30	*	...	Do. pref.	65	42	52	50	50
47	32	2	4.2	West. Grocers	....	48	..	..	..
106	95	7	6.7	Do. pref.	25	100	105	105	105
120	120	7	[illegible]	W. [illegible]	....	120	..	..	..
17	13½	60c	3.9	Weston Ltd.	1340	15½	15½	15	15
115	106	7	6.2	Do. pref.	104	114	113	112	112
8½	1½	*	...	Whittall Can.	....	6½	..	..	..
116	75	6.50	5.6	Do. pref.	265	113	116	113	116
3	1	*	...	Windsor Hotel	....	1	..	..	..
8	2	*	...	Do. pref.	....	3	..	..	..
3.25	.90	*	...	Winnipeg Elec.	260	2.50	3.00	2.50	2.50
14½	4	*	...	Do. pref.	348	13	14½	13	14½
30	20½	*	...	Wood, A & J, p	....	25	..	..	..
70	45	*	...	Woods Mfg. pf.	20	51	48	48	48
				Z					
5½	2½	*	...	Zimmerknit, c.	25	2½	2½	2½	2½
65	63½	*	...	Do. pref.	....	63½	..	..	..

‡ Quotations for 1934. § Quotations for 1933. † Quotations for 1931. No sales recorded in 1935 to date. b New York Quotations. ▲ On account of arrears.

Corporation Bonds

(Furnished by Toronto Bond Traders Assoc.)
December 10, 1935

Public Utility Issues:	Int. Rate %	Due	Bid Dec. 10	Asked Dec. 10	Bid Dec. 3
‡Avalon Tel.	5½	'48	100½	...	100½
Beauharnois	5½	'73	86½	89½	91
Beauharnois	5	'73	32	35	34½
*Bell T'phone	5	'55	113½	116½	113
*Do.	5	'57	115½	118½	115
†B. C. Power	5	'60	102½	105	102½
†Do.	5½	'60	104	106	104
†B. C. T'phone	5	'60	106	108½	106
†Calgary Pwr.	5	'60	98	100½	97½
Do.	5	'64	95	98	94½
†Can. Nor. Pr.	5	'53	102½	104½	101½
†Cedars Rapids	5	'53	113	...	113
Dom. Gas	6½	'45	85	88	84
‡Duke-Price Pr.	6	'66	103	106	103
*Gatineau Pwr.	5	'56	86	88½	86½
*Do., A	6	'41	74	77	75½
*Do., B	6	'41	73½	76½	75
*Int'l. Hydro	6	'44	45	47½	47
†Maclaren-Que.	5½	'61	67½	70	70½
Do.	5½	'64	66½	69½	70
*Manitoba Pwr.	5½	'51	69½	72½	70
†Mtl. L'land Pr.	5½	'57	104	107	105
†Montreal Pwr.	5	'51	106	108½	106½
†Montr'l Tram.	5	'55	85	87½	84½
†Do.	4½	'55	80	83	79½
†Do.	5	'41	102½	104½	102½
Nat'l L. & P.	6	'49	92	95	91½
†N. S. L. & Pr.	5	'58	103	105½	102½
†Ottawa Light.	5	'57	105½	108	105½
†Ottawa Val. Pr.	5½	'70	82½	85½	86
†Power Corp.	4½	'59	89	92	88½
*Quebec Pwr.	5	'68	105	108	105
†Shawinigan	4½	'70	100	102	100
†Do.	5	'70	105	107½	105
†S. Canada Pr.	5	'55	104½	107½	105
†United Secs.	5½	'52	80	83	80
†W. Koot. Pwr.	5	'56	105½	108	106
†Western Pwr.	5	'49	104½	107½	105
*Winnipeg Elec.	5	'35	99	101	99
*Do.	6	'54	71	74	71½
Industrial and Realty Issues:					
Abitibi Pwr.	5	'53	34½	37½	33½
†Alta. P. Grain.	6	'46	94½	97½	94
B. A. Oil	5	'45	104½	107	105½
Do.	4	'45	101½	104	101½
†B. C. Pulp & P.	6	'50	73	...	69
Burns & Co.	5½	'48	76	...	71
Can. Biscuit	6½	'46	17	...	16½
Canada Bread	6	'41	106	...	106
†Can. Cement	5½	'47	104	106	104
†Can. Paper	5	'45	101½	...	101½
‡Can. Ss. Lines.	5	'43	101½	...	101½
Do.	6	'41	42	45	42½
†Can. Canners	6	'50	104½	106½	104½
C. P. R.	4½	'44	97½	100½	97
Do.	4	'49	96½	99½	96
Can. Rail & H.	6½	'51	39½	42½	39
†Can. Vickers	6	'47	79	82	80
Cons. Paper	5½	'61	23	25½	22½
Dom. Sq. Corp.	6	'48	54½	...	54½
†Dominion Tar	6	'49	102	104	101
†Donnacona P.	5½	'48	45	50	43
†East. Dairies	6	'49	86½	89½	88½
Eaton T. Realty	5	'49	100	102	100
†Fam. Players	6	'48	103	105	102½
†Do.	6½	'48	97½	100½	97
†Federal Grain	6	'49	98½	101½	97
Fraser Cos.●	6	'50	78½	81½	78
Do.▲	6	'50	72½	...	72½
†G. Steel Wares.	6	'52	98½	101½	97½
Gt. Lakes Pap.	6	'50	37½	40	37½
†Gypsum, Lime.	5½	'48	90	93	91½
Ham. Cottons	5½	'48	101	104	101
*Ham. By-Prod.	5	'50	97½	100	97½
*Hinde & Dauch	5½	'48	102	105	102
†I. P. & P. Nfld.	5	'68	101½	104½	101½
Int. City Bak.	5½	'48	101½	104½	101½
Inter-City West. Bakeries	6½	'50	27	31	27
Kingston Elev.	6	'50	91	94	91
Lake St. John P. & Pa.	6½	'47	82	...	79
†Lon. Can. Inv.	4½	'48	86	89	86
†Massey-Harris	5	'47	87½	90½	88
McColl-Front.	6	'49	104½	106½	104
†Mercury Mills	5½	'53	34½	37½	35
M. & O. Paper.	6	'45	23½	26	23
Mtl. Dry Docks	6	'48	69	73	68
Price Bros., bds.	6	'43	88½	92	87
*Prov. Paper	5½	'47	101½	104	101½
*Reliance Gr.	6	'48	102	...	101
Richmond-Bay.	6½	'47	95	...	95
‡Riordon Pulp	6	'42	104	...	104
†Rolland Paper.	5½	'48	104	106	104
†Simpsons Ltd.	6	'49	103½	105½	103½
Do.	5½	'49	100	103	101½
†Smith, How'd.	5½	'53	104½	106½	104½
‡Steel of Can.	6	'40	111½	...	111½
United Amuse.	6	'42	100	...	99
United Grain	5	'48	97½	...	97½
Do.	5½	'49	101½	...	99½
‡Wabasso Cott.	6	'47	103	...	102½
Do.	7	'42	105	...	104½
Western Grain.	6	'49	79½	...	78½
Woods Mfg.	6	'43	101	...	101
Zimmerknit	6	'51	98	102	100

‡Payable in Canada or U. K. †Payable in Can., U. S. or U. K. §Payable in U. S. only. *Payable in Can. or U. S. ●Unstamped. ▲Stamped.

Mining Dividends

	Rate	Close Dec. 9	Yield %
Anglo-Huronian	20c	4.00	..
Buff. Ankerite	20c	3.75	5.3
Bulolo Gold	2.60	33.00	8
Cariboo	10c	1.29	7.7
Coniagas†	12½c	2.95	..
Cons. Smelters	$1.25+$4	216.50	..
Dome Mines	$2+$2	44.25	9*
Falconbridge	30c	8.10	3.7
Hollinger	65c+25c	14.75	6.1*
Howey Gold	5c	.77	..
Hudson Bay	$1	23.50	4.2
Int. Coal & Coke‡	1c	.20	..
Inter. Mining	60+5c	13.25	4.8*
Int. Nickel, c.	$1	47.00	2.1
Kirk. Lake‡	3c	.50	..
Lake Shore	$2+$2	53.50	7.5*
Macassa	15c	3.20	4.6
McIntyre	$2	40.00	5
McKinley Sec.	5c	.50	..
McWatters Gold†	5c	1.75	..
Nipissing	12½c	2.35	..
Noranda	$2	47.75	4.2
Nor. Canada†	2c	.27	..
Premier	12c+1c	1.90	6.7*
Pioneer, B.C.	80c	9.75	8.2
Reno	12+2c	1.08	13*
San Antonio	21c	3.55	6
Siscoe	20c+3c	2.75	8.4*
So. Amer. Gold	30c	5.00	6
Sunshine	50c	19.15	..
Sylvanite	20c	2.43	8.2
Teck Hughes	40c	5.10	7.8
Toburn	8c	1.28	6.2
Wright-Har.	40+20c	8.10	7.4*

‡Interim. †Initial. *Yield includes bonus.

Listed Bonds

Week Ending Dec. 9, 1935

	Int. rate	Due	High	Low	Range 1935 High	Range 1935 Low
Mtl. L. H. & P. Debs.	3	'39	50½	50	50¾	46
Unlisted:						
Cons. Paper	5½	'61	24¾	22½	24¾	13
Rolland Pap.	5½	'48	104¾	..	104¾	..

Investment Trusts

	Bid	Asked
Canadian Investment Fund	3.85	4.15
Can. Int. Trustee Shares	4.87	5.37
Grouped Income Shares	5.15	5.65
Canada Amer. Trust	3.45	3.70

Metal Prices

New York—Dec. 10—
Copper: Electrolytic spot and future, $9.25.
Silver: 63¾c.
London—Dec. 10—
(Long Ton)—
Copper: Electrolytic spot, £39 15s; future, £40 5s. Standard spot, £35 10s; future, £35 17s. 6d.
Tin: Spot, £219 15s; future, £210 2s. 6d.
Lead: Spot, £17 5s; future, £17 5s.
Zinc: Spot, £15 7s. 6d; future, £15 15s.
Gold: 141s.
Canada—Dec. 10—
Gold: $35.14.

Public Utility Earnings

Mexican Light and Power

October	1935 $	1934 $	Increase $
Gross earn.	682,242	607,605	74,[illegible]
Oper. exps. & deprec.	473,017	429,318	43,[illegible]
Net earn.	209,225	178,487	30,73[illegible]
10 mos. end. Oct. 31			
Gross earn.	[illegible],133	6,704,925	*255,792
Oper. exps. & deprec.	4,609,403	4,494,917	114,486
Net earn.	1,838,728	2,210,008	*371,2[illegible]

Jamaica Public Service

October	1935 $	1934 $
Gross earnings	70,105	66,381
Net earnings	26,538	26,341
Surplus after charges	17,902	17,316
12 mos. end. Oct. 31		
Gross earnings	854,288	825,423
Net earnings	348,109	336,282
Surplus after charges	244,755	226,339

Unlisted Stocks

(Furnished by A. J. Pattison, Jr. & Co., Toronto)
December 10, 1935

	Bid	Asked
Industrial Stocks:		
Acadia Sugar, com.	3.35	...
Do., pfd.	4.90	...
Acme Farmers Dairy, p.	37.00	42.00
Andian National	48.50	50.00
Atlantic Sugar, pfd.	105.00	107.00
B. C. Pulp & Paper, com.	1.00	...
Burns & Co., A	9.00	...
Do., B	4.50	...
Canada Paper, pfd.	93.00	...
Canada Starch, com.	10.50	...
Do., pfd.	87.00	...
Canada Tea, pfd.	35.00	...
Can. Tube, 1st pfd.	38.00	...
Can. Industries, A, com.	219.00	...
Do., B, com.	219.00	...
Do., pfd.	164.00	168.00
Can. Paperboard, pfd. bonus	4.00	6.00
Can. Westinghouse	68.00	...
Chase, A. W., pfd. bonus	25.00	...
Claude Neon Ad. Units	4.00	6.00
Dom. F. & Stl., c. (New)	30.00	...
Do., pfd. (New)	88.00	...
Dunlop Tire, pfd.	58.00	64.00
Edmonton C. Dairy, pfd.	55.50	...
Federal Grain, c.	1.00	1.50
Do., pfd.	44.00	46.00
Goderich Elev. & Transit	6.00	7.00
Greening Wire, pfd.	101.50	103.00
Guelph Carpet, pfd.	101.50	...
Do., com.	17.00	20.00
Highland Dairy, com.	2.75	3.50
Highland Dairy, pfd.	71.00	80.00
Huether Brew., pfd. bonus	2.25	3.00
Mercury Mills, pfd.	5.00	6.50
Morrow Screw, 7% pfd.	93.00	...
New Meth. Laund. p. bonus	72.50	...
Provincial Paper, pfd.	97.75	98.50
Reliance Grain, pfd.	83.00	86.00
Rob. Cons. Cone	9.25	10.50
Ruddy, E. L., pfd.	30.25	...
Silverwood's Dairies, pfd.	39.50	...
Std. Fuel pfd. bonus	105.50	107.50
Supertest Pet., B, pfd.	27.50	29.25
Toronto Carpet, pfd.	29.00	37.00
United Steel, A, pfd.	4.75	5.50
West. Grain, pfd. bonus	13.00	15.00
Willards Chocolates, pfd.	8.00	...
Trust & Loan Stocks:		
Chartered Trust	77.00	82.00
London & Western	34.50	37.00
Premier Trust	87.00	92.50
Sterling Trust	30.00	35.00
Traders Finance, B, 7% pfd.	64.00	...
Trusts & Guarantee	29.00	32.00
Sherbrooke Trust	110.00	...
Insurance Stocks:		
British America	35.50	38.00
Canada Life	505.00	...
Canadian Fire	76.00	78.50
Can. Ins. Shares, com.	9.75	12.00
Confed. Life 20% pfd.	113.00	119.00
Continental Life, 20% pfd.	35.00	39.00
Crown Life	105.00%	...
Dominion Fire	110.00	121.00
Dominion Life, 50% pd.	260.00	300.00
Dom. of Can. Gen.	79.00	84.00
Empire Life, 25% pd.	6.00	8.00
Excelsior Life, 30% pd.	69.00	71.00
Federal Fire, 25% pd.	34.00	37.00
Fidelity Ins. of Can.	47.00	53.00
Great West Life	390.00	405.00
Guar. of N. A. fully pd.	245.00	...
Halifax Fire	21.75	22.50
Imperial Life	326.00	...
Manufacturers Life	248.00	256.00
Monarch Life, 10% pd.	17.50	20.00
National Life, 25% pd.	51.00	59.00
Sovereign Life, 25% pd.	13.50	16.00
Sun Life	440.00	460.00
Toronto Gen. Ins.	4.00	5.00
Western Assurance, com.	36.00	39.00
Do., pfd.	38.50	41.00
Theatre Stocks:		
Allens Beach, pfd.	59.00	...
Do., Calgary, com.	7.50	9.00
Do., Kingston, pfd.	52.00	...
Do., Parkdale, pfd.	42.00	45.00
Do., Toronto 7% pfd. bonus, com.	27.00	31.00
Loew's London, 7% pfd.	1.90	2.10
Mansfield Theatre, pfd.	26.00	...
Paramount Kitchener, pfd.	30.00	35.00
Do., Oshawa, pfd.	59.00	...
United Amusement, A	12.00	14.50
Do., B	11.00	13.00
Investment Trust Shares:		
Can. Gen. Invest.	7.15	7.35
Can. Investors	7.00	8.00
Can. Int. Inv. Tr. Units	30.00	...
Cons. Div. Std. Units	10.50	11.50
Debenture & Sec., pfd.	35.00	...
Dom. Scottish Invest. Units	25.00	27.00
Foreign Power Sec., pfd.	6.00	9.00
Invest. Foundation Units	42.00	44.50
Sec. Holding Corp. Units	12.00	...
United Corpns., A	22.75	23.50
Do., B	8.00	8.50
Power Issues:		
Can. Light & Power, c.	21.00	24.00
Can. Public Service pfd.	28.00	...
Can. West. Nat. Gas, pfd.	89.00	91.50
Do., com.	25.00	...
Great Lakes Pwr., pfd.	72.00	78.00
N. B. Telephone, com.	10.50	11.50
Nor. Ont. Power, pfd.	99.25	...
Nova Scotia, L&P, pfd.	99.00	...

Recent London Quotations†

British Columbia Tele., pfd.	$105
Brewers & Distillers	6s. 9d.
Canada Company	7s. 6d.
Canadian & Foreign Securities	4s.
Canadian Collier, $1 c.	1½d.
Do., pref., $10	4½d.
Canada N. W. Land	10s.
Canadian Western Lumber	1s. 9d.
Third Can. Gen. Inv.	6s. 6d.
Hudson's Bay	20s. 4½d.
Do., pref.	100s.

Unlisted Mines

December 10, 1935

	Bid	Asked
Ascot	.26	.28
Arntfield Syndicate	..	1.00
Athona (Gt. B. L.)	.38	.41
Athabaska Portals	..	.21
Bailor	..	.01
Bidgood Kirkland	.17	.19
Bankfield Gold	.30	.32
Bathurst	.00½	.01½
Bosquet Gold	.03½	.04½
Can. Pandora	.04½	.05½
Casey Summit	.11	.14
Canusa Mining	.04	.05
Casey Contact	.02½	.03½
Central Porcupine	.19	.21
Cons. Chib. Free	.65	.68
Cons. Chib. Pool	..	.66
Columario Cons.	.00½	.01½
Dunlop Cons.	..	.01
El Bonanza	.11	.13
Forty-four Gold	..	6.00
Glenora Gold	.06½	.07½
Galatea	.07½	.08½
Goldside	.02½	.03½
Gold Eagle	.22	.25
Greenlaw	.04	.05
Hislop Gold Free	..	.06
Hudson Patricia	.07½	.08½
Jellicoe	..	.04
Johnson Nipigon	..	.02
Kirk. Lake Belt	.06	.07
Knee Lake	.26	.30
Lafayette L. Lac	.03½	.04
La Palme	.40	.45
Long Lac Lagoon	..	.03½
Lamaque Gold	2.90	3.00
Leitch Gold	.33	.36
MacL. Cockshutt	.03	.04
Magnet Lake	.02	.03
Matachewan Can.	.13	.15
McCarthy Webb	.06	.07
Mosher	.01½	.02½
Murmac	.11	.14
North Shores	.02	.02½
Oklend	.23	.25
O'Leary	.07½	.08½
Omega	.51	.54
Opemiska	1.75	1.85
Pamour Porc.	3.45	3.55
Rice Lake	.01½	.02½
Shawkey	.63	.65
Sladen	.29	.31
Smelter Gold	..	.05
Smith Cobalt	.07	.09
Springer	.10½	.11½
Straw L. Beach	.07	.09
Sturgeon R. Gold	..	.60
Thom.-Cadillac	.03½	.05
Wells Long Lac	..	.05
Wingold	.03	.04
Young Davidson	.17	.19
Wendigo	.14	.16

Winnipeg Stocks

(Transactions from Nov. 30 to Dec. 7)

	Sales	High for period	Low for period	Close Dec. 7
B. & M. Synd.	2	.20	.20	.20
Cres. Cream, p.	10	.30	.30	.30
Canadian Rand.	1,000	.05	.05	.05
Forty-four	100	4	4	4
Flin Flon	4,400	.27½	.25	.27½
Gold Lake	800	.30	.28	.28
Federal Grain, p.	201	.44	.42½	.43
Gowsey Island	1,000	.22	.22	.22
Monarch Life	61	.18	.18	.18
Knee Lake	2,600	.26	.22½	.22½
Nat. Grain, pf.	20	.83	.83	.83
Ore Grande	2,500	.04	.03½	.04
United Grain	17	.12½	.12	.12
Wingold	3,500	.03½	.03½	.03½
West. Breweries	800	2	1½	1½
Wylie Dom.	20,100	.22	.18½	.22

Stocks Not Traded in During Week*

	Bid	Ask.
Beaver Fire Ins.	..	100
Beaver Lumber, c.	..	3
Do., pref.	..	60
City Dairy, A	..	10
Home Invest.	25	..
Northern Trust	7	..
Traders Bldg.	65	..

*Stocks more active on other exchanges not included.

CREEDS

Gentlemen
With Ladies
to Please

From now until Christmas Creeds welcome gentlemen who wish to choose a desirable and practical gift which will meet with the instant approval of the most fastidious lady.

Lingerie
Hosiery
Gloves
Bags
Handkerchiefs
Jewellery

One of these suggestions, smartly boxed by Creeds, makes a very acceptable gift.

14 Bloor St. W.
Toronto
Open Every Evening
Until 9

WESTERN GROCERS SEEKS TO REDEEM 7 P.C. PREFERENCE

Calls Shareholders to Meeting January 8 to Ask Permission

Western Grocers Ltd., directors will ask permission of shareholders at a special general meeting on January 8 at Winnipeg to redeem $1.2 millions of 7 per cent preference shares of $100 par value. This will be done in whole or in part by open market operations, by private contract or compulsorily on 30 days notice. In the latter case the redemption price will be at 110 and accrued interest but purchases in the open market or by contract will be at lowest possible prices not exceeding 110. The present price is around 106.

Western Grocers has made excellent progress ever since the reorganization in 1925 when each preferred shareholder exchanged his holdings at the rate of two old for one new 7 per cent preference, one new no par value common share and $2.50 in cash. There were $17.50 a share in dividend arrears at that time but since then dividends have been paid regularly. Dividends have been earned with a good margin in every year but 1931 and earnings have been growing ever since then. Common earnings were shown in all those years but 1931. In 1932 they were equal to 28 cents a share, in 1933 to $2.51 a share and in 1934 to $4.02 a share. Dividends of $2 a share were paid in 1935, and another 50 cents will be paid on January 15.

In 1934 the company paid off all loans from its bankers. It has no funded debt and preferred redemption would make common stock the only outstanding security. Its wholly-owned subsidiary, Dominion Fruit, made a profit in 1934 but it is not shown in accounts of parent company. The policy is to build up subsidiary's reserves before paying dividends to the parent company.

No intimation has been given as to method of redemption intended. The board might redeem the shares over a period of years or immediately by issuing other securities at a lower interest rate or by bank loan.

5% Interest
Guaranteed by
Trust Deposits
CHAMPION · SIMMONS
Investment Corp. Ltd.
REGINA SASK.

ANNOUNCEMENT

Century Bond & Management Co., Limited, announces that Mr. W. M. McCall has sold his interest in the Company and is no longer connected with it.

The management will remain with Mr. Gordon Thorley and Mr. John C. Colling.

CENTURY BOND & MANAGEMENT CO., LIMITED
67 YONGE STREET - - TORONTO

Be It Known Unto All Men
By These Presents

Whereas, you are very busy these days, may we offer to take some of your gift worries off your mind and save your time as well?

If you will call LAncaster 8241 and ask for "Shopping Service," a trained shopper will be glad to select your gifts and arrange for their Christmas delivery.

Gloves — Hosiery — Lingerie — Handbags — Scarfs — Compacts — Indian Slippers — Harriet Hubbard Ayer Beauty Preparations — Handkerchiefs—as well as a variety of accessory novelties.

HOLT, RENFREW & COMPANY
LIMITED
MONTREAL

THE
MONARCH LIFE
ASSURANCE COMPANY
Established in 1906
A PROGRESSIVE CAN ALIAN COMPANY
HEAD OFFICE - WINNIPEG
Splendid Agency Opportunities Available

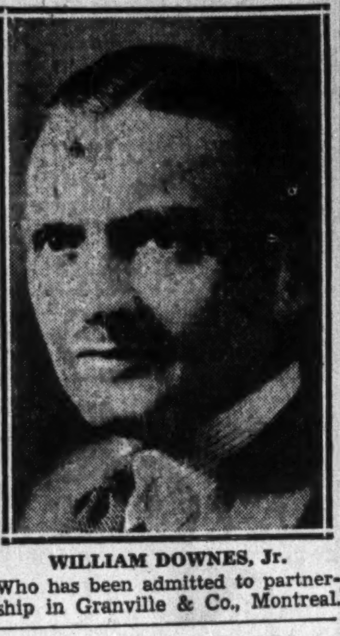
DB COMPANY LIMITED

STEEL STRUCTURES
RAILWAY AND
HIGHWAY BRIDGES
PLATE AND TANK WORK
ELECTRIC AND HAND POWER CRANES
HYDRAULIC REGULATING GATES
AND OPERATING MACHINERY

Caissons, Barges, Coal and Ore Bridges, Liftlocks, Turntables, Gear Cutting, General Machine Work, Forgings.

DOMINION BRIDGE COMPANY
LIMITED
HEAD OFFICE - - LACHINE (MONTREAL) QUE.
BRANCH OFFICES AND WORKS:
MONTREAL OTTAWA WINNIPEG VANCOUVER
AMHERST TORONTO CALGARY
AGENCIES: EDMONTON REGINA

New Partner



WILLIAM DOWNES, Jr.
Who has been admitted to partnership in Granville & Co., Montreal.

SAN FRANCISCO MEN HEAD B. C. PULP FIRM

British-American Pulp and Paper is New Name of Mutual Pulp

Mutual Pulp and Paper Mills of Prince Rupert, Ltd., which was formed to acquire the Prince Rupert dry dock and power plant from the Dominion government as a site for a paper mill, has changed its name to British-American Pulp and Paper Mills, Ltd. The company is capitalized at $6 millions in five per cent first mortgage bonds, $2.5 millions in preferred stock and 1,050,000 common shares.

John L. Stewart of the Pacific Coast Joint Stock Land Bank, San Francisco, is president. Edward A. Thompson, director of the California Western States Life Insurance Co., San Francisco and Sacramento, is vice-president and treasurer. Frank L. Buckley, Vancouver, is managing director and chairman of the board. Other directors are: David Bohannon, San Francisco real estate man, Harry E. Sanders of the American Trust Co., San Francisco; Gordon N. Lant of Balfour, Guthrie & Co., San Francisco; and Alfred Hargreave of Eastman Kodak Co., San Francisco.

Plans for a mill to produce bleached sulphite pulp with an ultimate capacity of 500 tons daily, are being prepared by L. A. deGuere, pulp and paper mill engineer. Construction is expected to commence within the next two months.

Consol. Bakeries Boosts Dividend With 10c. Bonus

Consolidated Bakeries of Canada will start off 1936 by paying a regular dividend of 20 cents a share and a bonus dividend of 10 cents a share on January 2 to shareholders of record December 17. The company paid 25 cents a share in 1934 and earned 60 cents a share. It has paid 80 cents a share in 1935, paying 20 cents a share quarterly.

The 25 cents a share paid in 1934 was really against 1933 earnings and the 20 cents a share paid on January 2, 1935, against the 60 cents earned in 1934. If one regards the 30 cents to be paid on January 2 as applicable to 1935 the payments for that year will be 90 cents a share on 318,443 no par value shares.

The company's working capital position is considered strong and it has no funded debt nor bank loans.

Company Earnings

M. & O. Paper Co.

Despite improved sales and operating profits, Minnesota & Ontario Paper Co. reports an increase in net loss for the nine months ended Sept. 30, 1935. Deficit for the period, after deducting bond interest which is not being paid, totalled $3 millions as compared with $2.5 millions in the corresponding period of 1934. Loss on the sale of capital assets was responsible for the increase in deficit.

Substantial improvement in operations is reflected in the report. Sales were up $1.2 millions and operating profit $125,000. Income available for interest on the company's funded debt was $153,000 higher, amounting to $93,950 as compared with a loss of $60,727 in the first nine months of 1934. Loss after provision for depreciation, depletion and interest on funded debt, but before loss on sale of capital assets and other items was $2.4 millions, a reduction of $100,000 from the 1934 period.

Cons. Income and Surplus Account
(Including National Pole & Treating Co.)
(For nine months ended Sept. 30)

	1935 $	1934 $
S'les (incl. net rly rev.)	8,443,535	7,295,823
Less: Cost of sales	6,496,892	5,598,725
Gross profit	1,946,643	1,697,098
Less: Selling, adminis. & gen. exp.	1,805,642	1,681,061
Operating profit	141,001	16,037
Add: Other income	61,036	41,086
Total income	202,037	57,123
Less: Int. pd. on notes sec.	6,000	13,650
Int. pd. on funded debt of subsid.	94,465	96,932
Other int., accr. and pd.	7,622	7,268
	93,950	†60,727
Int. on funded debt, accr. but unpaid	1,580,430	1,505,100
Int. on other oblig. accr. but unpaid	164,636	164,641
Depreciation	577,919	581,383
Depletion	204,428	229,489
Amort. of bd. disc. & exp.	15,896	16,549
Loss on sale of cap. assets	804,752	....
Misc. debits & cred.	165,643	*2,164
Net loss	3,068,468	2,560,053
Less: Prev. surplus	18,740,230	22,452,872
Res. for red. of N. P. & T. Co. stk.	141,450	141,212
Bal. carried forward	15,510,312	19,751,607

*Debit.
†Loss.

Harding Carpets

Despite slightly lower profits marked improvement is shown in the financial standing of Harding Carpets Ltd. by the company's report for the year ended Oct. 31 last. Net profit for the year amounted to $38,481, equivalent to 22.6 cents a share.

Working capital shows a gain of $77,000 over a year ago, amounting to $254,775. Current assets total $305,976 and current liabilities $51,201. Bank loans were reduced during the year from $129,000 to $14,000. Inventories are lower by $14,000 at $235,337.

Income and Surplus Account
Years Ended October 31

	1935 $	1934 $
Earnings from oper.	92,584	97,471
Less: Depreciation	47,003	46,806
Provision for taxes	7,100	7,111
Net profit	38,481	43,554
Add: Previous surplus	43,554	▲
Less: Tax adjustment	451	......
Balance carried forward	81,584	43,554

▲Previous deficit written off in connection with 1934 reorganization.

Working Capital
As at October 31

	1935 $	1934 $
Current assets	305,976	352,643
Current liabilities	51,201	180,070
Working capital	254,775	172,573

Bruck Silk

Bruck Silk Mills' financial statement for the year ended October 31 last shows a net profit after all charges of $150,313, practically equivalent to the dividend paid. In the previous year net profit was $184,233 available for distribution.

Trading profits were somewhat lower last year and this is reflected in income account and balance sheet. Net working capital at $815,283 shows a slight decline from that reported a year ago. The cash position is not quite as strong as at the end of 1934 fiscal year, due to the expenditure of about $97,000 on capital account. Funded debt was reduced during the year to $444,900.

Profit and Loss Account
Year Ending Oct. 31

	1935 $	1934 $
Gross profit	459,104	526,052
Other income	4,689	44
Total income	463,793	526,096
Less: Expenses, etc.	173,509	195,531
Bond interest	29,517	30,134
Bond discount	2,000	2,000
Depreciation	86,937	84,204
Res. for taxes	21,517	29,994
Net profit	150,313	184,233
Less: Dividends	150,000	112,500
Balance	313	71,733
Brought forward	624,108	552,375
Less adjustments	47,553	....
Carried forward	576,868	624,108

Algoma Consolidated

Algoma Consolidated Corp. reports an operating deficit of $564 for the year ended March 31, 1935, compared with $10,871 in the previous year. The reduction in deficit is attributed to steps taken by the directors to reduce overhead expenses.

Working capital shows slight reduction amounting to $252,552. Current assets consist principally of Dominion of Canada bonds carried in the books at $244,401 and which have a market value of $263,685.

The balance sheet shows shareholdings in Algoma Steel Corp. and Lake Superior Corp., previously carried at $12,876,445, to have been written off. In addition, the sum of $151,966 is provided as reserve against a note of $416,666 due from the old Algoma Steel Corp. Some recovery of this indebtedness will be made, the report states. The note was secured by $529,406 par value first and refunding mortgage bonds of Algoma Steel Corp., which bonds are exchangeable under the plan of reorganization for 2,647 common shares in the new company.

Profit and Loss Account
Years ended March 31

	1935 $	1934 $
Revenue:		
Interest on invests.	9,880	10,976
Bank interest	533	......
	10,413	10,976
Less: Loss on sale of invests.	......	8,175
General expenses	4,936	15,672
Dir. fees & salaries	6,041	......
Net loss	564	10,871
Add: Prev. deficit	63,550	52,679
Prov. for loss*	13,028,412	......
Deficit forward	13,092,526	63,550

*Provision for loss of investments in Algoma Steel Corp. and Lake Superior Corp. and balance due by the Algoma Steel Corp. Ltd.

Working Capital
As at March 31

	1935 $	1934 $
Current assets	253,645	253,948
Current liabilities	1,093	831
Working capital	252,552	253,117

P. Lyall and Sons' Creditors Receive Further Dividend

From Our Own Correspondent

MONTREAL.—A further interim dividend of 2½ per cent for the creditors of P. Lyall & Sons Construction Co. has been declared by the liquidator, George F. Currie.

This is the fifth dividend declared by the liquidator, the first four having aggregated 27½ per cent. Mr. Currie, in the course of his report to creditors, announces that the amount, if any, of any further distribution will be extremely small.

MAY REORGANIZE ALGOMA CONSOL. SAYS PRESIDENT

Endeavoring to Make Arrangement With Bondholders

With its principal investments wiped out by the reorganization of the Algoma Steel Corp., reconstruction or liquidation of Algoma Consolidated Corp. is forecast in the annual report for the year ended March 31, 1935.

In presenting the annual report, E. Clarence Miller, president, states that "directors are endeavoring to arrange with the debenture holders a reconstruction or liquidation of the company, shortly, on the best terms possible."

The Financial Post indicated a year ago that the company had come to the end of the road. The report points out that shares of Algoma Consolidated were issued for shares of Lake Superior Corp., now valueless.

Attention is drawn to the fact that interest on the company's five per cent cumulative stock and bonds, which, while not immediately payable, is nevertheless a charge on the company's income and is accumulating in priority to shareholders' rights. The income debenture stock and bonds of Algoma Central and Hudson Bay Railway pledged as security for the bonds of Algoma Consolidated Corp. bear a corresponding accumulation of interest.

In connection with the Algoma Central bonds it is pointed out that accrued rentals due Algoma Central Terminals Ltd., on terminal properties owned by the latter company, are a charge in priority to the charge of the company's income debenture stock and bonds.

Accrued rental at Dec. 31 last amounted to $635,323 and is increasing at the rate of over $180,000 per annum. Algoma Central Railway debentures at the present time are being quoted in London at £1 to £8 per £100.

For details of financial statement see under company reports on page 19.

N. B. Power Commission Is Expanding Operations

From Our Own Correspondent

MONTREAL. — New Brunswick Electric Power Commission has made arrangements to secure upward of 20,000 tons of New Brunswick coal for the Grand Lakes plant during the current fiscal year. This business will be divided among the various operators in the Minto Coal area.

Work on the commission's distribution line between Newcastle and Doaktown is progressing favorably. All poles have been put in place and it is expected the service will be in operation early in 1936.

Petitions for extensions in various sections of the province were considered by the power commission, but owing to the lateness of the season it was decided to undertake no further new construction until spring.

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"Some Remarks on Wills", "A Woman and Her Will",
"Practical Hints on Making Your Will"

3026

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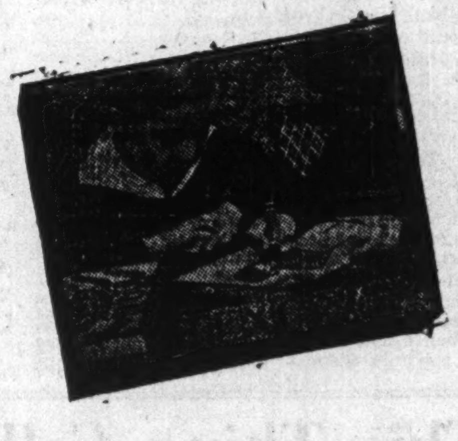

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Bank Chat

No Mystery in Banking

THERE is no mystery in banking, claims R. V. Fleming, recently elected president of the American Bankers Association. In explaining this viewpoint to an interviewer Mr. Fleming spoke as follows: "A group of men, stockholders, put up their money, which is capital. They set up a place of business and accept your money, deposits, and agree to give it back when you demand it. Your money and theirs is loaned to those who you think could repay.

"The bank loans not to those who have a brilliant idea and nothing more, who need capital to start a business, because that would be going into partnership using depositors' money for speculative purposes. It loans not to those who have no demonstrated capacity for business management. It does not loan on get-rich-quick ideas or to those who would be merely throwing good money after bad in a sinking venture.

"A bank is as necessary to a community as a retailer, or a railroad or a manufacturer. It provides a service—to depositor and to customer—a service necessary to sustain the great volume of business activity carried on in this complex business world.

"Economists tell me that nine out of ten of the millions of business transactions carried on daily are done on credit — only one on cash. This is an age of credit. Credit is simply confidence, one man in another, that he will keep his word, and, what is important just now, that conditions are such that he will be able to keep his word."

* * *

Many Called, Few Chosen

BANKS have the name of being particularly fussy as to the calibre of the young men they employ. And necessarily so because they are constantly dealing with other people's money. But we venture to say that they do not choose any more carefully than one of the finance companies dealing in household loans.

Finding that it could place six men, this company inserted several advertisements in the press. It was deluged with more than 900 replies. Out of that total, 400 were personally interviewed by officials of the company, and of these 375 were permitted to submit applications. Various tests and examinations were prepared and written, with the result that six men were selected.

It was an enormous task, calling for many hours of painstaking work.

* * *

Bank Meetings

ANNUAL meetings of Canadian banks, apart from the Imperial and Montreal, which have already been held, will be as follows: Bank of Canada, Feb. 25; Bank of Nova Scotia, Jan. 29; Bank of Toronto and Banque Canadienne Nationale, Jan. 15; Canadian Bank of Commerce, Jan. 13; Dominion Bank, Jan. 28; Montreal City and District Savings Bank, Feb. 10; Royal Bank, Jan. 9, and Provincial Bank, Jan. 16.

* * *

The Perennial Shift

WITH a Toronto banker, S. H. Logan, now president of the Canadian Bankers Association, the customary shift in the offices of the association from Montreal, where the former president lived, has been completed. Offices are now at 17 Manning Arcade, Toronto.

On a previous Toronto jaunt, considerable confusion was caused by the listing of Arthur W. Rogers, secretary of the association, in the Toronto telephone directory. There was another party bearing the same name and living on a street which, when the telephone company had abbreviated it, was very similar in name to that of the secretary. Consequently, those wishing to phone or visit one Arthur W. Rogers were frequently communicating with the other.

Mr. Rogers is rather diffident about using his middle name, Wycoff, because of its Russian and perhaps communistic flavoring. Moreover, it brings back memories of schoolboy episodes. Wycoff was the subject of many attempts at witticism and was quite often twisted into nicknames, probably the most irritating of which was "Whitewash."

* * *

Service Charge Uniformity

IT IS about time bankers took action in the matter of service charges. Under current practice some banks make a levy for chequing privileges; other banks, sometimes even other branches of the same bank, make no charge. It does seem illogical that a customer can avoid a charge which one manager considers legitimate merely by walking across the street and transferring his account to another bank. Either the practice should be scrapped entirely, or, if bankers feel that service charges are absolutely necessary, and opinion seems to be veering that way, then let a uniform schedule of rates be drawn up and an agreement entered into by all the banks whereby these would be equitably assessed.

* * *

Paper Profits

NATIONS have resorted to "printing press" money with rather disastrous results. Not so with an enterprising American who attempted to demonstrate the practicability of inflation. During the bank holiday in the United States, he printed and distributed 700 demand notes for $1 each, backed by $5,000 in clear assets. Now, two and a half years later, 500 of the notes have been redeemed.

* * *

Staff Changes

THE **Bank of Montreal** has made the following changes in staff:

H. S. HASE, formerly at Vancouver, to be manager at Port Arthur.

W. W. SYMONS, formerly manager at Port Arthur, to be manager at Lombard St., Winnipeg.

W. K. NEWCOMB, formerly at Mexico, to be assistant manager at Montreal.

J. H. OTTMANN, formerly assistant manager at Montreal, to be manager at Chatham.

R. T. W. LEWERS, formerly manager at Chatham, to be manager at Belleville.

H. L. S. COTTER, formerly at superintendent's department, Toronto, to be manager at Grosvenor and Yonge, Toronto.

The Bank of Nova Scotia has announced the following appointments:

M. F. McKAY, to be manager at Coburg and Robie, Halifax.

H. M. CARTY to be manager at North and Agricola, Halifax.

D. C. LOUNSBURY to be assistant manager at Kingston, Jamaica.

Professor Ashley's Views Draw Banker's Criticism

Editor, The Financial Post,

In your issue of last week, Professor Ashley of the University of Toronto took issue with the validity of arguments advanced by Jackson Dodds in his valedictory address as president of The Canadian Bankers' Association.

Perhaps the professor will quote, within its proper setting and without improper emphasis, the words used by Sir Charles Addis in which he "ridiculed the chief proposals of the banks as to monetary policy before the Macmillan Commission."

Sir Charles is a gentleman and a banker of forty or more years practical experience, and it is inconceivable that he would intentionally ridicule his fellow members in a profession of which he declared himself proud.

In any event, Mr. Dodds's address did not deal with the question of monetary policy, which is definitely the concern of the Bank of Canada. Sir Charles's views thereon would not have been relevant to the subject of Mr. Dodds's address.

Inflation

Reading the address carefully, as your correspondent must have done, I am surprised to find that he misquoted Mr. Dodds, who did not say: "Inflation always increases prices."

His words, according to the published report of the address, were: "Inflation increases living costs, and higher prices always precede increased wages and salaries." One would not need to be a very profound student to understand these words, the truth of which has been demonstrated over and over again.

It was at least lacking in frankness to introduce into a discussion of malignant currency inflation, to which Mr. Dodds limited his remarks on inflation, the question of the effect, or failure to produce effect, of "Mr. Bennett's inflationary policy during his last fifteen months in office." Policy is one thing and the degree to which it is put into effect is another, just as theory is one thing and practice another.

Whither Deposits?

Your correspondent asks: "Does he (Mr. Dodds) suggest that if banks stopped paying interest on savings accounts, deposits would vanish into thin air?" In the first place, no such suggestion was made, for the very good reason, presumably, that they would not vanish into thin air; a great many of the small ones would in due time vanish into hiding places in the form of solid coin, larger ones would be hoarded in the form of legal tender notes, and the substantial round amounts would be converted into interest-bearing government bonds.

Here I have left a fine opening for callow students to ask: "But would not the sellers of bonds have to deposit the proceeds in a bank, thus leaving total savings deposits undiminished, as the professor subtly implies? Would not the funds have to reach a bank finally, there being no place else for them to go?"

However reasonable this might seem to a student, it would not make commonsense to a hard-boiled investment owner to sell an interest-bearing bond in order to hand the proceeds over to a bank to hold free of interest. He would not do it.

Deposit Decline Affects Bonds

The student with horsesense will ask: "What, if anything, would happen if savings deposits on a wholesale scale were converted into government bonds?" The answer is very simple: As deposits decreased, the banks, who are the largest holders of government bonds, would be obliged to dispose of their holdings to meet withdrawals — they could not borrow the wherewithal indefinitely from the central bank against pledge of these bonds.

In payment for bonds sold a bank would receive, for example, cheques drawn on and payable to itself. In other words, these particular deposits would vanish from bank books, contrary to the implication in your correspondent's letter.

Sales of bonds by banks to other banks' depositors would finally require the drawee banks to replenish their balances with the Bank of Canada by deposit of legal tender to cover clearing house losses.

It is thus easy enough for a practical banker to follow the course of a savings deposit withdrawn for the purpose indicated, not "into thin air" or the perfumed atmosphere of the text book, but into toil-touched legal tender notes, and these in turn to their redeemer, the central bank.

All of which goes to show that things are very different in the rough and tumble of everyday life from what they are in shadow-boxing academies, too many of whose graduates mistake their diplomas for ring-side seat tickets entitling them to sit and watch the struggle for existence and boo and bawl out the contestants.

AN EX-BANKER,

Toronto.

Weekly Bank Clearings

	Dec. 5 1935 $	Change year ago %	Nov. 28 1935 $
Halifax	2,637,930	+10.6	2,143,425
Saint John ..	1,877,992	—3.6	1,796,423
Moncton	806,240	—10.8	842,560
Sherbrooke ..	717,378	+12.6	581,865
Montreal	133,413,176	+9.6	97,625,625
Ottawa	24,699,812	+364.8	16,329,384
Quebec	5,963,628	+36.7	3,878,305
Kingston ...	653,470	+1.1	472,922
Peterborough	653,510	—3.0	580,280
Toronto	150,580,503	+2.9	108,654,710
Hamilton	4,719,861	+10.7	4,164,075
Kitchener ...	1,149,218	—2.3	898,728
Brantford ...	974,699	+19.0	757,704
London	3,371,181	+0.3	2,386,016
Chatham	576,500	+19.2	510,484
Windsor	2,489,138	+31.6	2,308,028
Sarnia	488,460	—2.6	464,094
Sudbury	847,148	+22.5	852,595
Fort William.	694,201	—7.5	549,244
Winnipeg ...	63,220,516	—6.7	64,279,279
Brandon	352,309	—4.1	257,345
Regina	4,254,167	—5.8	3,729,301
Moose Jaw ..	695,586	+9.1	675,940
Saskatoon ...	1,827,030	+5.8	1,513,588
Prince Albert	357,120	+1.0	383,182
Edmonton ...	4,561,933	—9.8	3,543,490
Calgary	7,447,853	+46.7	7,657,357
Medicine Hat	314,022	+21.6	265,636
Lethbridge ..	607,232	+1.8	504,015
N. W'minster	575,388	+6.5	564,143
Vancouver ..	17,643,008	+8.9	16,188,392
Victoria	1,918,075	+17.6	1,455,226

Banker Retires

J. P. BELL

Formerly manager-in-chief of The Canadian Bank of Commerce at Hamilton, and chairman of the editing committee of the Canadian Bankers Association, who has retired from active service.

Norman to Continue Bank of England Head

The Court of Directors of the Bank of England will recommend to the proprietors in April next that the Rt. Hon. Montagu C. Norman, D.S.O., the present governor, be re-elected for the year ensuing, and that Basil G. Catterns be elected deputy governor. Next April Mr. Norman will commence his 17th year of office. The present deputy governor, Sir Ernest M. Harvey, is seeking retirement after many years of service.

Mr. Catterns, who succeeds Sir Ernest, relinquished the position of chief cashier last year and was elected to the bank court. He previously held in succession the offices of assistant chief cashier, deputy principal of the discount office, deputy chief comptroller, and in April, 1929, chief cashier. His election as a director and his nomination as deputy governor, represent a continuance of the policy of selecting officials of the bank for the responsibility of higher direction.

Foreign Exchange Markets

Attention was centred last week in the exchange fluctuations of the franc. Although quotations moved downward on Dec. 9, there was a gain from the beginning of the period and the current rate is still above the point at which it is profitable to ship gold. The gold flow from France in recent weeks is estimated to have taken an enormous quantity of gold from the country, but gold coverage of the franc is still about 70 per cent. Reports indicate that there is growing discontent within the country in regard to very high interest rates compared with those exacted in other countries. Most of this difference is, of course, attributed to the high discount rate which France has in effect to discourage gold shipments.

FOREIGN EXCHANGE AT TORONTO AND MONTREAL

	Par $	Dec. 3	Dec. 4	Dec. 5	Dec. 6	Dec. 7	Dec 9
U. S. dollar, High	.5906	1.01 1/32	1.01⅛	1.01⅛	1.01 1/32	1.01¼	1.01⅛
Low	.5906	......	......	1.01 1/32	1.01 1/32	1.01 1/32	1.01 1/32
1934, High	.5906	0.98 1/32	0.98⅛	0.98 1/32	0.97⅞	0.98	0.98
Low	.5906	0.97 11/16	0.98 1/32	0.97⅞	0.97¾	0.97 11/16	0.97 11/16
U. K. pound	4.8665	4.98⅞	4.99	4.98¾	4.98⅛	4.98¼	4.98¼
Argentina	.4246	.2788	.2781	.2781	.2782	.2780	.2781
Australia	4.8665	3.9848	3.9834	3.9834	3.9785	3.9804	.....
Austria	.1407	.1904	.1903	.1902½	.1903	.1900½	.1903
Belgium	.1392	.1712	.1711	.1707½	.1706	.1705	.1703
Brazil	.1963	0565	.0566¼	.0566	.0566¼	.0566	.0561
Czechoslovakia	.0296	.....	.0418½	.0418½	.0419½	.0419¼	.0419
Denmark	.2680	....	.2228¾	.2228	.2225¾	.2228	.2223¼
France	.0392	.0666	.0666	.0665¾	.0668	.0667¾	.0666½
Germany	.2382	.4072	.4069¼	.4067	.4073¼	.4072	.4065¾
Greece	.013	.0096	.0095	.0095¼	.0095½	.0095½	.0095¼
Holland	.4020	.6863	.6853¼	.6852	.6866	.6859¼	.6844
Hungary	.1749	.3000	.2998¼	.2997½	.3003½	.3002½	.3001½
India	.3650	.3772	.3798	.3797	.3795¼	.3792	.3791¾
Japan	.4985	.2910	.2910¼	.2911½	.2909¼	.2906½	.2910½
Jugoslavia	.1929	.0231	.0232	.0231½	.0232	.0232½	.0231½
New Zealand	4.8665	4.0250	4.0235	4.0235	4.0186	4.0205	....
Norway	.2680	.02507	.2508	.2507	.2050¾	.2504	.2502¼
Poland	.1122	.1910	.1909	.1909	.1915	.1918	.1887
South Africa	4.8666	4.9660	4.9642	4.9642	4.9582	4.9604	....
Spain	.1929	.1382	.1380¾	.1380	.1384½	.1384	.1381½
Sweden	.2680	.2575	.2574	.2572¾	.2570½	.2570¾	.2568
Switzerland	.1930	.3274	.3273	.3271¾	.3282½	.3280½	.3275½
Hong Kong	.5422	....	.3519	.3412	.3377½	.3361¼	.3350¼

This Thing Called Credit

In Which Alan Campbell, Bank Manager, Shows a Local Industrialist That Business is the Real Creator of Bank Credit and Bank Loans

By PETER THOMSON

"Surprising but satisfactory," remarked Edward P. Marks as he leaned back in the chair.

"Why surprising?" asked Alan Campbell as he picked up the promissory note from the desk which separated the two men.

"These days, you know," answered Marks, "everyone says the banks won't give credit and . . . ."

"Wait a minute, wait a minute," interrupted Alan, "I've been manager here in Remford for ten years; every fall you've been in, and have I ever given you less than you've asked for; and haven't I always suggested that I'd be glad to let you have more?"

Some Say . . . .

Marks scratched his head. He'd been reading the newspapers more of late. Unconvinced he answered: "Yes, but some say you bankers aren't providing enough credit to go round. I don't believe in that Social Credit stuff myself but if the banks would loan more to business, things would be a lot better all round. The more you loan, the larger your deposits grow and the more you have to loan."

Alan was silent for a moment. For twenty years, ever since he left high school in fact, he'd been with the bank. He sometimes reflected he had not done badly to be manager in Remford which, as the Chamber of Commerce sign on the Toronto highway announced, had "20 Industries, a Happy Population, Sane Labor, Two Railways and Water Transportation."

To gain time, Alan coughed. Not because he had no answer, but because he could not find the right words. For twenty years facts and figures had usually sufficed to express his views.

Offered and Refused

Pressing his advantage, Marks continued, "Now if you would only increase your loan to me . . . ." Just then the sun, coming from behind a cloud, flung a beam of bright sunlight from the window across the desk. It seemed to lighten the entire office. It must have also exerted some benign effect on the banker's soul for, throwing caution to the winds, he lit into Marks with a crisp "All right. You can have all the money you need. How much will I make the note for?" The manager fingered the promissory note as if he intended to tear it up.

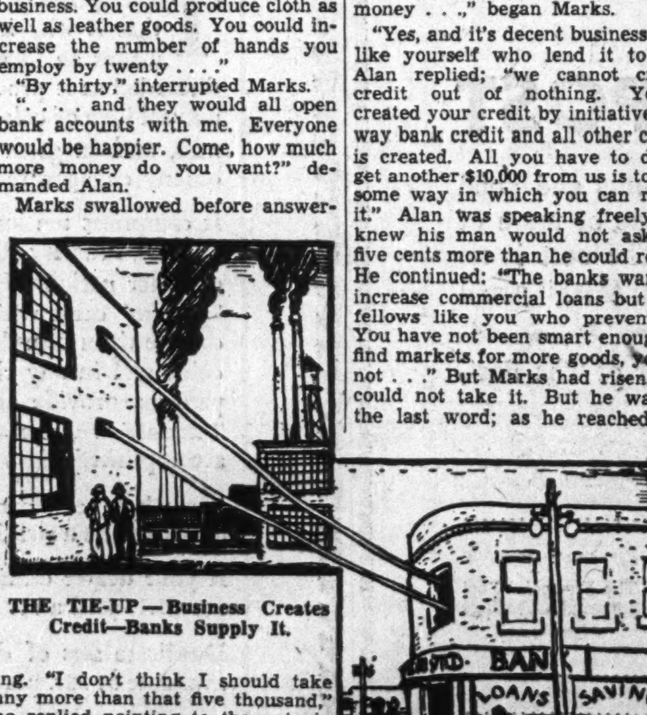
"But I don't know whether I can use more money just now," answered Marks.

"Oh yes you can," continued Alan, "you've often told me your plans for getting into the cloth end of the business. You could produce cloth as well as leather goods. You could increase the number of hands you employ by twenty . . . ."

"By thirty," interrupted Marks.

". . . . and they would all open bank accounts with me. Everyone would be happier. Come, how much more money do you want?" demanded Alan.

Marks swallowed before answering. "I don't think I should take any more than that five thousand," he replied pointing to the note in Alan's hand.



THE TIE-UP — Business Creates Credit—Banks Supply It.

"Why not?" shot back the manager.

"Well to tell the truth, I don't know that I could pay it back. You see, I think I should wait to finance that out of my plant earnings rather than borrowing it," answered Marks. Alan was relieved. Bank managers are not trained to four-flush. His tones grew serious and rebuking. He said: "I've solved a very great mystery then."

"What mystery?" Marks asked the manager.

"All through the depression," answered Alan, "people have been saying that we, that is the banks haven't given enough credit. We've been told continually that we create credit out of thin air. But I see now that it's all wrong. It's fellows like you who create credit by finding markets for your goods and by both making and borrowing money."

"But you people have all the money . . .," began Marks.

"Yes, and it's decent business men like yourself who lend it to us," Alan replied; "we cannot create credit out of nothing. You've created your credit by initiative, the way bank credit and all other credit is created. All you have to do to get another $10,000 from us is to find some way in which you can repay it." Alan was speaking freely; he knew his man would not ask for five cents more than he could repay. He continued: "The banks want to increase commercial loans but it is fellows like you who prevent us. You have not been smart enough to find markets for more goods, you've not . . ." But Marks had risen. He could not take it. But he wanted the last word; as he reached the doorway he turned and said: "Well your bank holds a lot of government bonds instead of lending your money to industry."

"I'll tell you about that another time," laughed Alan, as his customer departed.

Further adventures of Alan Campbell, bank manager, will appear from time to time in The Financial Post.

Bank of Canada Weekly Statement

Few changes of importance are shown in last week's Bank of Canada statement. Holdings of government short-term securities rose slightly over $4 millions, United States reserve was down $4.2 millions, and an increase of $3.5 millions was recorded in "All other assets." Total deposits were up more than $800,000, a gain of $4.8 millions in those of chartered banks being largely offset by declines in the other classifications.

Balance Sheet

	—Weeks Ending—	
	Dec. 4 $	Nov. 27 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	94,696,302	93,443,752
Dep.: Dominion ...	28,002,890	31,731,209
Banks	189,513,096	184,716,068
Other	1,186,708	1,430,571
Total deposits	218,702,694	217,877,848
All other liabs.	1,856,763	1,250,013
Total liabs.	320,255,759	317,571,613
Assets		
Reserve: Gold	181,409,294	181,268,470
Silver bullion	1,703,650	1,682,152
Res. in sterling ..	146,573	140,702
Res. in U. S.	8,275,211	12,475,195
Res. elsewhere ..	9,306	10,643
Total reserve	191,544,034	195,577,162
Subsidiary coin	256,836	287,302
Adv. to govt.	2,224,062	2,222,000
Investments:		
Dom. govt. short.	37,175,297	33,127,190
Other Dom. govt.	83,404,132	84,191,126
Total invest.	120,579,429	117,318,316
Premises	128,114	128,065
All other assets	5,523,285	2,038,768
Total assets	320,255,760	317,571,613
Reserve ratio	61.11%	62.85%

Savings Certificates Acceptable to Alberta

Alberta will accept provincial savings certificates on payments due from municipalities, Premier William Aberhart announced recently. The certificates, although payable on demand, cannot be cashed with the government, because of an order passed a few weeks ago.

It is expected that the municipalities will accept certificates in payment of taxes. Certificates endorsed to the municipality by the registered owner will then be accepted by the province.

More and MacKimmie On Bank Editing Board

W. G. More, secretary and superintendent of branches of the Imperial Bank, has been appointed to succeed J. P. Bell as chairman of the editing committee of the Canadian Bankers Association. H. B. Henwood, formerly associated on the committee with Mr. Bell, has also retired, his place being taken by G. W. MacKimmie, assistant general manager of the Royal Bank.

Windsor Gas Advances Reach $1.1 Millions

Union Gas Co. holds 15,000 shares of $100 each of Windsor Gas Co. and it has advanced $1.1 millions to the company. The company also has a funded debt of $1.1 millions in first mortgage 5 per cent bonds due 1966. Its fixed tangible assets are shown at $2.3 millions and appraised by Stone & Webster at $2.6 millions.

Monthly Bank Clearings

	November 1934 $	November 1935 $
Halifax	9,952,492	10,024,860
Saint John	7,173,955	8,126,261
Moncton	3,333,980	3,362,831
Sherbrooke	2,348,517	2,654,882
Quebec	18,727,842	21,561,371
Montreal	424,916,989	465,353,959
Ottawa	19,925,011	123,261,412
Kingston	2,399,745	2,375,793
Peterborough	2,842,371	2,785,264
Toronto	492,526,147	554,921,955
Hamilton	16,140,670	19,015,305
Kitchener	4,229,266	4,436,353
Brantford	3,148,982	3,653,710
London	11,757,763	12,488,977
Windsor	8,071,621	10,188,930
Sudbury	3,112,937	3,771,405
Fort William	2,936,099	2,703,632
Winnipeg	244,925,050	271,930,778
Brandon	1,458,306	1,411,585
Regina	17,671,311	10,461,289
Moose Jaw	2,370,132	3,188,628
Saskatoon	6,833,926	7,431,258
Prince Albert	1,450,335	1,568,982
Edmonton	18,399,037	16,921,688
Calgary	26,850,396	32,987,097
Medicine Hat	1,054,772	1,235,136
Lethbridge	2,196,118	2,355,240
New Westminster .	2,160,321	2,479,084
Vancouver	63,340,140	72,830,992
Victoria	6,112,423	7,125,454

to EUROPE
SPEED! COMFORT!
R.M.S. QUEEN MARY nearing completion

from NEW YORK

to Cherbourg and Southampton
Jan. 2 MAJESTIC
Jan. 8 AQUITANIA
Jan. 22 MAJESTIC
Jan. 29 BERENGARIA

to Cobh and Liverpool
Dec. 27* SAMARIA
Jan. 4*' GEORGIC
Jan. 17* LACONIA

to Belfast and Liverpool
Jan. 10 ANTONIA
Jan. 24 LANCASTRIA

to Plymouth and London
Dec. 26 AUSONIA
Jan. 2 ANDANIA
Jan. 16 AURANIA
Jan. 30 ALAUNIA

*Calls at Boston following day
'Calls at Galway before Cobh

from HALIFAX*

to Plymouth and London
Dec. 29 AUSONIA
Jan. 5 ANDANIA
Jan. 19 AURANIA
Feb. 2 ALAUNIA

to Belfast and Liverpool
Jan. 12 ANTONIA
Jan. 26 LANCASTRIA

*Embarkation previous evening

The largest passenger fleet on the Atlantic offers you the widest possible choice of routes, rates and dates of sailing to Europe.

Ask about our Winter Cruises to Nassau, West Indies and South America, Around the World.

Apply to your local agent (no one can serve you better) or to

CUNARD WHITE STAR LIMITED

217 Bay Street (Elgin 3471) Toronto

½ lb. tin in a handsome Christmas Wrapper 60¢
PICOBAC "THE PICK OF TOBACCO"
COMPLIMENTS OF THE SEASON

"Santa Claus 'knows what every man likes!'"

SAYS MR. PICOBAC—

"I know what men like, so when I 'play Santa Claus' I make no mistakes — every pipe smoker gets Picobac. A mild . . . cool . . . sweet smoke is the best gift of all—at Christmas or any other time!"

"IT DOES TASTE GOOD IN A PIPE"

Imperial Tobacco Company of Canada, Limited

Picobac

GROWN IN SUNNY, SOUTHERN ONTARIO

1832 1935

In the United States

THE facilities afforded by the offices of this Bank in the United States . . . in New York, Chicago and Boston . . . are gladly at the disposal of clients.

World-wide facilities in every department of banking

Coast to Coast in Canada

NEWFOUNDLAND, JAMAICA, CUBA, PUERTO RICO, DOMINICAN REPUBLIC

NEW YORK, CHICAGO, BOSTON, LONDON, ENGLAND

The BANK of NOVA SCOTIA

OVER A CENTURY OF BANKING SERVICE

Classified Advertisements

Classified ads cost 4c. per word and figure for each insertion. Minimum ad, $1.75. Add five words when box number is required Classified ads payable in advance

Lincoln For Sale

A BEAUTIFUL PRIVATELY - OWNED Lincoln convertible cabriolet, which originally cost $8,700 with a custom body by Deitrich, is for sale. The car is equipped with new heavy duty Firestone tires, is mechanically perfect in every way, and the certified mileage is only 22,000 miles. Circumstances demand an immediate sacrifice for $650 and, if necessary, a small car will be taken as part payment. No dealers. For an immediate demonstration, write owner at Box A, Financial Post.

INVESTMENT

FIRM in good financial position, established 1907, requires mortgage $10,000 on property valued $25,000, splendid investment. Box 268, The Financial Post, Toronto.

Collections

YOUR delinquent accounts can be collected through our Canadian Organization, no collection, no charge, licensed and operating throughout Canada. Box 262, The Financial Post, Toronto.

DIVIDEND NOTICES

The Royal Bank of Canada

ANNUAL MEETING

THE Annual General Meeting of the Shareholders of the Bank will be held at the Head Office, 360 St. James Street West, in the City of Montreal, on Thursday, the 9th day of January, 1936, at 11 o'clock a.m.

S. G. DOBSON,
General Manager.

Montreal, December 2, 1935.

The Canadian Bank of Commerce

The annual meeting of the shareholders of this Bank, for the election of Directors and for other business, will be held at its banking house, No. 25 King Street West, Toronto, on Tuesday, the 14th day of January next.

The chair will be taken at 11.30 o'clock a.m.

By order of the Board,
S. H. LOGAN,
General Manager.
Toronto, 22nd November, 1935.

The Dominion Bank

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending 31st December, 1935, making a total distribution of ten per cent for the current year—the Dividend will be payable at the Head Office of the Bank and its Branches on and after Thursday, the 2nd day of January, 1936, to shareholders of record of the 20th December, 1935.

By Order of the Board.
DUDLEY DAWSON,
General Manager.
Toronto, 15th November, 1935.

McCOLL-FRONTENAC OIL COMPANY LIMITED

Preferred Dividend No. 32

NOTICE is hereby given that a Dividend of $1.50 per share, being at the rate of 6 per cent. per annum has been declared on the 6 Per Cent. Cumulative Preferred Stock of McColl-Frontenac Oil Company, Limited, for the Quarter ending December 31, 1935, payable to January 15, 1936, to shareholders of record at the close of business December 31, 1935.

By Order of the Board,
FRED HUNT,
Secretary.
December 4, 1935.

Western Grocers Limited

Notice of Dividend

A dividend of one and three-quarters per cent (1¾%) on the Preference Stock of Western Grocers Limited has been declared for the quarter ending December 31st, 1935, payable January 15th, 1936, to shareholders of record December 20th, 1935.

By order of the Board.
W. P. RILEY,
President.
Winnipeg, December 4th, 1935.

Western Grocers Limited

Notice of Dividend

A dividend of Fifty Cents (50c) per share on the Common Stock of Western Grocers Limited has been declared payable January 15th, 1936, to shareholders of record December 20th, 1935.

By order of the Board.
W. P. RILEY,
President
Winnipeg, Man.,
December 4th, 1935.

DIVIDEND NOTICES

BRITISH COLUMBIA POWER CORPORATION, LIMITED

DIVIDEND No. 30

NOTICE is hereby given that a dividend of Thirty-seven cents (37c.) per Share on the Class "A" Shares has been declared for the three months ending December 31, 1935, payable on January 15, 1936 (less 5% Dominion of Canada tax in the case of non-residents of Canada), to shareholders as of record at the close of business on December 31, 1935. Cheques will be mailed by the Montreal Trust Company, Montreal.

By Order of the Board,
ERNEST ROGERS,
Secretary.
Vancouver, B.C.
December 6, 1935.

Ottawa Light Heat and Power Company, Limited

Quarterly dividends as follow, are payable 2nd January, 1936, to Shareholders of record 14th December, 1935:

PREFERRED STOCK: 1⅝% (being at the rate of 6½% per annum).
COMMON STOCK: 1½% (being at the rate of 6% per annum).

The transfer books will not be closed.

By Order.
F. W. FEE,
Secretary.
Ottawa, 6th December, 1935.

UNDER THE MANAGEMENT OF POWER CORPORATION OF CANADA LIMITED

Canada Northern Power Corporation, Limited

Preferred Dividend No. 44

NOTICE is hereby given that a Dividend of 1¾% (being at the rate of 7% per annum) has been declared on the 7% Cumulative Preferred Stock of CANADA NORTHERN POWER CORPORATION LIMITED for the quarter ending December 31st, 1935, payable January 15th, 1936, to shareholders of record at the close of business on December 31st, 1935.

By order of the Board.
L. C. HASKELL, Secretary.
Montreal, November 26th, 1935.

Dominion Glass Company Limited

Notice of Dividends

NOTICE is hereby given that a dividend of one and three-quarters per cent. (1¾%) has been declared on the PREFERRED STOCK of the Company for the quarter ending the 31st. day of December, 1935.

NOTICE is also hereby given that a dividend of one and one-quarter per cent. (1¼%) has been declared on the COMMON STOCK of the Company for the quarter ending the 31st. day of December, 1935.

The above Dividends are payable on Thursday, the 2nd. day of January, 1936, to Shareholders of record at the close of business Monday, the 16th day of December, 1935.

By Order of the Board.
MERVYN OFFER,
Secretary.
Montreal, 26th. November, 1935.

Hollinger Consolidated Gold Mines Limited

DIVIDEND NUMBER 274

A regular dividend of 1% has been declared by the Directors on the Capital Stock of the Company, payable on the 31st day of December, 1935, to shareholders of record at the close of business on the 13th day of December, 1935.

Dated the 6th day of December, 1935.

I. McIVOR,
Assistant-Treasurer.

NORANDA MINES, LIMITED

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of $1.00 per share, payable in Canadian funds, has been declared by the Directors of Noranda Mines, Limited, payable December 28th, 1935, to shareholders of record at the close of business December 14th, 1935.

By order of the Board.
T. N. HAY,
Secretary-Treasurer.
Toronto, December 4, 1935.

CANADA PERMANENT MORTGAGE CORPORATION

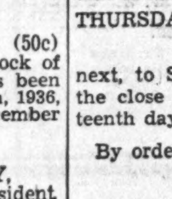
Quarterly Dividend

Notice is hereby given that a Dividend of TWO PER CENT for the current quarter, being at the rate of EIGHT PER CENT PER ANNUM on the paid-up Capital Stock of the Corporation, has been declared, and that the same will be payable

THURSDAY, THE SECOND DAY OF JANUARY

next, to Shareholders of record at the close of business on the Fourteenth day of December, 1935.

By order of the Board.
WALTER F. WATKINS,
Secretary.
Toronto, November 20th, 1935.



KELLOGG'S CORN FLAKES

Twenty-nine years ago the Kellogg Company created a new type of food — Kellogg's Corn Flakes. By doing so they changed the eating habit of nations.

Millions welcomed this new product. Soon it became such a popular ready-to-eat cereal that now, more than twelve million people eat Kellogg's Corn Flakes every day.

In 1914 the factory was established in Toronto —being moved to London, Ontario, in 1925, from which the markets of Canada, Great Britain and most of Europe are now supplied.

The Kellogg Company of Canada Limited today spends three times the amount for advertising they did ten years ago.

Advertising of the company appears in Maclean's — Canada's National Magazine.

Maclean's
Canada's National Magazine

Week In Wheat

Export Interest Reviving

• • • •

Prices Spread Lessening

• • • •

From Our Own Correspondent

While the week has been disappointing in the wheat trade, some signs of an improving tone have begun to make an appearance.

Disappointment arose from the fact that world shipments, although larger than the previous week, were still only slightly above eight million bushels, of which North American shipments were only slightly above three millions.

Although both Argentine and Australian shipments were light, Black Sea shipments achieved a substantial total. It had previously been believed that Russian business was practically over for the crop year, but some observers at Liverpool gave voice to the opinion that Russia might follow the unusual course of resuming wheat exports in the spring.

Markets were also somewhat disturbed as French plans for subsidizing the export of several million bushels of wheat were maturing.

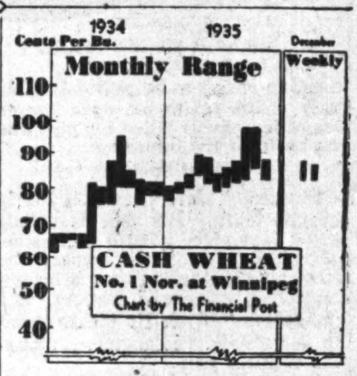
On the constructive side was the fact that continental markets, especially those in the low-duty countries, began to be more interested in protecting forward requirements. True, this took the form of bidding rather for Argentine than for Canadian wheat, although some interest was manifested in Canadian grades from No. 3 downward.

Interest in Argentine wheat was increased by publication of the Broomhall estimate of a yield of 146 million, which is much smaller than some of the guesses lately prevailing.

Argentine quotations, under the influence of forward buying, were marked sharply upward, a fact that lent strength to markets both at Liverpool and at Chicago.

This, in turn, brought a substantial amount of buying into the Winnipeg market, which first made its appearance on Tuesday.

The improved tone was promptly reported to other markets, and at Chicago was credited with increasing interest there. The fact that other markets had been allowed to gain on Winnipeg, and that prices of Canadian and other wheats were thereby brought closer together overseas, was considered more important than would any marking up of the price at Winnipeg.



New Board Raises Hopes

CHIEF interest in the wheat market currently lies in the reception of the news of the change in personnel of the Canadian Wheat Board, and of the announcement on behalf of the government of a more vigorous selling policy to be pursued in the disposal of the board's holdings. Equally of interest in its implications is the government's determination to reduce the Canadian wheat carry-over to a normal basis.

From the long-term point of view the settlement of the question of personnel is regarded as constructive. From the time that a change of government took place, a change in the administration of the Board was regarded as inevitable.

Uncertainty as to when the change might be made, or as to how an impending change might affect the judgment of the board from time to time on questions of sale was considered to be an unsettling factor, delaying buying by overseas customers.

So also was the establishment of a selling objective, not only because of the greater likelihood of making larger sales and getting the Canadian carry-over down to a manageable basis, but also because it disposed of any idea that sales might be interfered with by attempts to mark up prices unduly if a good demand for wheat should develop.

On the other hand, on one day at Chicago, and on one day at Liverpool, suggestions were made that some liquidation had taken place because of an idea that lower prices might be forced by offerings from the Canadian board.

Whether that feeling had any important result is to be doubted, for the weakness at Chicago, so explained, seemed rather to come from improving prospects for winter wheat through fairly extensive rains, and at Liverpool by attempts to make forward sales of the Argentine crop.

• • •

Smaller Argentine Crop

NOW that the Argentine harvest has begun, there is a possibility of the market gaining strength as definite information becomes available as to crop out-turns.

Recent advices have been rather less optimistic as to the total yield than those of a few weeks ago, and suggest that perhaps the crop may not exceed 150 million bushels, which would be 85 million bushels less than last year, and 115 million bushels less than two years ago.

The impact of the small harvest on the market might be sufficiently lighter than last year to create some change of feeling in overseas markets.

• • •

Exports to the U. S.

IT IS difficult to be sure how the absorption of Canadian wheat in United States mills is proceeding.

The figures of duty paid entry of Canadian wheat into the United States vary greatly from week to week. There has been a disappearance of several million bushels of wheat from visible positions in the United States which is not accounted for either by overseas exports or by customs figures.

The assumption is that such wheat has been placed in non-reporting positions, where it is certain to be milled, or is in process of being milled, and may be reported later as absorbed.

Flour sales in the United States are slowing down as bakers and dealers are making sure of having minimum floor stocks on hand when the supreme court makes its ruling on the validity of the processing tax of 30 cents a bushel on wheat. But only so much slack can be taken up in that way, and before long flour sales must inevitably reflect at least daily consumption, while settlement of the tax may again lead to building up of stocks.

DIVIDEND NOTICES

Canadian Car & Foundry Company, Limited

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Annual General Meeting of Shareholders of CANADIAN CAR & FOUNDRY COMPANY, LIMITED, will be held at the Head Office of the Company, No. 621 Craig Street West, Montreal, on Thursday, the 19th day of December, 1935, at twelve o'clock noon, to receive and consider the Annual Statement of the business and affairs of the Company, for the election of Directors, and for the transaction of such other business as may properly come before the meeting.

By Order of the Board,
A. C. BOURNE,
Secretary.
Montreal, December 11th, 1935.

Securities Holding Corporation Limited

DIVIDEND NOTICE

Notice is hereby given that an interim dividend of Fifty Cents per share on the Preference Shares of the Company has been declared payable January 2nd, 1936, to shareholders of record at the close of business on the 17th day of December, 1935. The transfer books will be closed from the 18th to the 31st days of December, both days inclusive.

By order of the Board.
F. T. LARGE,
Secretary.

The Consolidated Mining & Smelting Company of Canada, Limited

DIVIDEND No. 61

Notice is hereby given that a Dividend of Five Per Cent (5%) on the paid-up Capital Stock of the Company for the six months ending December 31st, 1935, with a cash bonus for the year, of Four Dollars ($4.00) per share, has this day been declared, payable on the 31st day of December, 1935, to Shareholders of Record at the close of business on the 16th day of December, 1935.

By Order of the Board.
J. E. RILEY,
Secretary.
Montreal, Quebec,
December 9th, 1935.

NOTICE

The Ontario Municipal Board

Notice is hereby given that the Municipality of the Town of Blind River has become subject to the provisions of Part III of "The Department of Municipal Affairs Act, 1935," by an Order of The Ontario Municipal Board bearing date the Nineteenth Day of November, A.D. 1935, and from and after the first publication of this Notice in the Ontario Gazette, all actions or proceedings against the said Municipality are stayed, and thereafter no action or other proceeding against the said Municipality shall be commenced or continued, nor shall a levy be made under a Writ of Execution against it without leave of The Ontario Municipal Board.

Dated this 19th day of November, A.D. 1935.

WM. BRODIE,
Vice-Chairman of the
Ontario Municipal Board.

The Bank of Nova Scotia

Notice is hereby given that the Annual General Meeting of the Shareholders of this Bank will be held in the Banking House, Hollis and Prince Streets, Halifax, on Wednesday, the 22nd January next, at eleven o'clock, a.m., for the purpose of receiving a statement of the affairs of the Bank, for the election of Directors and for other business.

By order of the Board.
H. F. PATTERSON,
General Manager.
Halifax, N.S.,
December 10, 1935.

Pressure is Promised Selling Surplus Wheat With New Board at Work

Parting With McFarland and Disposal of Old Stocks Will Cause Political Repercussions, It Is Predicted — McFarland Statement

From Our Own Correspondent

OTTAWA.—With a new wheat board in the saddle, cabinet circles predict that a more vigorous sales solution will be applied to Canada's wheat problem.

While the appointment of the new board was announced last week, the details of the change over have not yet been fully published. Reports current in western newspapers and strongly supported at Ottawa are to the effect that the old McFarland wheat board declined to resign and was dismissed by order-in-council.

Several factors, it appears, operated to bring the old board and the government into headlong collision. There was the matter of the limited power of the government under the Wheat Board Act not to dismiss the members except for cause and, also, the matter of the terms under which the 200 million bushels of wheat owned by the wheat pools should be turned over to the new board.

Never Took Over

It came as a surprise that the old wheat board had never actually taken possession of the wheat pool holdings, although these have been maintained these past five years under government guarantee to the banks. Apparently a settlement was negotiated prior to the election by which the wheat board was to gain ownership of the wheat on payment of $8 millions to the pools. The old government stipulated that payment should not be made until a proper accounting of wheat operations had been received and such accounting has yet to take place. The new government declined to put up the money in advance of this payment and it is evident that it will require a super-accounting operation to make the ministry part with $8 millions of taxpayers' money. The new government proposes to sell the wheat and pay the pools any profit made on the transaction.

Loss In Prospect

As a substantial loss appears to be inevitable the pools' chances of getting additional money are anything but bright. The arguments of the old board and claims of the pools were ignored and a new board was set up which is now presumed to have obtained control of the wheat. A vigorous selling policy has been initiated but it is conceded that the political repercussions of the dispute will be far reaching.

McFarland Statement

On his return to Winnipeg, following his resignation John I. McFarland, who guided Canada's wheat policy under the late Bennett government made the following statement:

Over five years ago, in November, 1930, when panic and fear were in possession of the world's wheat markets; when the price of number one wheat was rapidly declining toward 50 cents or lower, delivered at Fort William; and when the farmers on these western prairies were shocked by the calamity which faced them, I reluctantly and in great trepidation consented to assume a responsibility, which I described through the public press at that time, as a national service in time of a great national emergency. I further stated that my services were given in the interests of all farmers, irrespective of whether they were pool or non-pool. I am confident that my statement has been fulfilled in every respect and every farmer who produced wheat, as well as every citizen, has benefitted.

Claims Overproduction

The direct cause of that national emergency was a world-wide overproduction of wheat. I need not dwell further upon the fact at this time, as everyone, who has given any thought to wheat, is well aware that an unwanted excess world surplus had accumulated prior to 1930, in the interval, but not because of any national or international measures of a corrective nature, but rather on account of three successive short crops on the northern American continent, together with two successive short crops in Australia, and this year a short crop in Argentina, the world excess surplus has now been reduced to normal or even less than normal. The unprecedented crop losses in those countries resulting from drought, grasshoppers, black rust and other causes, has removed the unwanted excess supply, although it may be only a temporary correction. The vicious attacks by critics from time to time demanding fire sales, dumping policies, and other quack remedies, have added to our difficulties.

Averaged 80 cents

Despite such critics, our farmers have received an average of almost 80 cents per bushel for No. 1 wheat delivered Fort William, for every bushel produced in the last three years.

Throughout these difficult years I have never neglected my obligations, nor have I evaded in any manner the great responsibility which was imposed upon me. I have served in the national interest regardless of political favor. After battling through these stormy years, I feel quite certain the people of this country are well aware that I am not at this time voluntarily deserting the ship, when we are so near the conclusion of a successful voyage.

Looking backward over the past five years, I hope I may be excused if I express my one and only regret, namely, that events over which I had no control now prevent me from completing this year's operations as chairman of the Wheat Board.

Board Operations Aid Price Balance

A significant aspect in the wheat trade, states the New York Journal of Commerce, is the apparent effort of the Canadian Wheat Board to keep the price of Canadian wheat in line for export trade by checking advancing tendency of the Winnipeg market at times when markets abroad show strength.

By selling wheat for future delivery in the Winnipeg market the board also reduces its surplus and places larger quantities in the hands of the trade.

United Grain Offices Are Moving to Calgary

From Our Own Correspondent

WINNIPEG.—Headquarters of the president and general manager of United Grain Growers Ltd. are to be established in Calgary.

An official announcement issued from the offices of the company in Winnipeg, making known the change in location adds: "The Hon. D. G. MacKenzie has arranged with Premier Bracken to continue as minister of agriculture for Manitoba for a short time, and when relieved of these duties will assume his responsibilities as vice-president of the company in its Winnipeg office."

Key Facts About Wheat

	Week bu.	Prev. Week bu.	Same Wk. Prev. Year bu.
Canadian Wheat in Store:			
Terminal elevators (Dec. 6)	59,827,000	65,504,000	76,683,000
Country elevators (Nov. 29)	89,630,000	87,938,000	96,792,000
Total (all points), (incl. Nov. 29) Term. (wk. Dec. 6)	149,457,000	153,442,000	173,475,000
World Shipm'ts. (incl. flour), (wk. Dec. 2)			
North American	4,168,000	3,501,000	4,008,000
Argentine	1,048,000	1,218,000	3,064,000
Australian	998,000	1,193,000	1,728,000
Others	1,760,000	2,216,000	1,424,000
Total (world)	7,974,000	8,128,000	10,224,000
Visible Supply:			
Canada (Dec. 6)	266,498,000	265,823,000	255,169,000
United States (Nov. 23)	88,603,000	89,242,000	....
Country Marketings and Exports:†			
Canadian exports (Nov. 29)	2,982,000	3,879,000	3,240,000
Cum. to Nov. 29 (17 weeks)	43,954,000	42,972,000	52,192,000
Country marketings (Nov. 22)	5,615,000	3,728,000	4,206,000
Cum. to Nov. 22 (16 weeks)	161,128,000	155,514,000	157,806,000
Country deliveries (cum. Dec. 6)‡	169,636,000	166,303,000	166,161,000
Country loadings (cum. Dec. 6)‡	127,620,000	124,772,000	126,745,000

†Excluding flour. ‡Sanford Evans Weekly Report.

Winnipeg Grain Prices

Week to Dec. 10, 1935

Crop year from Aug. 1, 1935 High	Low		Open Dec. 4	High for week	Low for week	Close Dec. 10
		Wheat				
.98¼	.82	Dec.	.84¾	.84¾	.83⅛	.83⅝
1.02¼	.85⅜	May	.88¾	.88¾	.86⅝	.87¼
.92⅞	.86½	July	.88¾	.88¾	.87	.87¾
		Oats				
.33⅛	.27⅛	Dec.	.28⅜	.28⅝	.28	.28⅝
.35⅝	.29⅝	May	.30¾	.31	.30¼	.30⅝
.32⅝	.30	July	.31¼	.31¼	.30½	.30⅞
		Barley				
.39½	.31¼	Dec.	.31¾	.32⅝	.31½	.32⅝
.42½	.34⅝	May	.35¼	.35¾	.34⅝	.35⅜
.38	.35⅝	July	.35¾	.36⅝	.35⅝	.36⅝
		Flax				
1.48⅝	1.19¾	Dec.	1.38	1.39¾	1.36¾	1.39⅝
1.54	1.33	May	1.41	1.43	1.39⅝	1.42⅝
1.43	1.40¼	July	....	1.43	1.40¼	1.43
		Rye				
.49½	.37⅜	Dec.	.29⅝	.40⅝	.39½	.40⅝
.51⅞	.41¼	May	.43⅜	.44⅜	.42½	.44⅜
.47⅝	.43⅛	July	.44¾	.45⅛	.43⅛	.45⅝

Wheat Prices

(Cash Quotations)

	Aver. for wk. Nov. 30 $	Previous week $
At Winnipeg		
No. 1 Man. Hard	0.880	0.880
No. 1 Northern	0.868	0.855
No. 2 Northern	0.842	0.849
No. 3 Northern	0.790	0.799
No. 4 Northern	0.746	0.752
No. 5 Wheat	0.645	0.658
No. 6 Wheat	0.618	0.624
Feed Wheat	4.481	0.487
At Vancouver:		
No. 1 Northern	0.865	0.851
At Toronto:		
Milling Wheat	0.75	0.74

Competitive Export Prices:
(December) shipment:

	High Week to Dec. 5 $	Low Week to Dec. 5 $
No. 1 North. (Vanc.)	1.03⅛	1.02⅛
No. 2 North. (Atlan.)	1.01½	0.97⅞
No. 2 North. (Vanc.)	1.01½	1.00⅛
Argentine Rosafe*	0.86¼	0.84¾
Do., Barusso*	0.84¼	0.81⅛
West Australian (Dec.)	0.89⅝	0.87¾
Russian	0.92¾	0.91¼

*New crop, shipment Jan.-Feb.

PROCESSING TAX BEARISH FACTOR IN WHEAT PRICES

Purchasers Hesitate to Accumulate Flour; U. S. Decision Awaited

As the time draws near for decision by the supreme court on the validity of the United States processing tax on wheat, uncertainty as to the outcome is creating a bearish effect on wheat prices.

Nervousness arises from the reluctance of purchasers to stock up with flour on which they would have to pay the tax, and a determination not to be caught with any larger quantities of tax paid flour than absolutely necessary, if it develops that the tax is to be abolished.

Consumption

Actual consumption of flour is probably not impeded, the effect being rather to leave larger quantities of wheat in the visible supply than would otherwise be the case, and this affects the Canadian wheat that United States millers plan to use as well as stocks of domestic wheat.

The tax is currently being collected by millers on all flour sold, but in most cases they are not paying it over to the government.

Instead they are, under the protection of court orders granted in many states, paying it into the hands of trustees?

Would Refund Tax

The millers profess their desire and intention to refund this money to flour purchasers if it develops that the government is not entitled to the money. But the purchasers are not sure that they can get the money back in full.

At 30 cents a bushel the tax is adding from $1.25 to $1.50 to the cost of every barrel of flour consumed.

At least that is the theoretical effect, while actually, to an undetermined extent, it is probably holding down the price of wheat on United States markets, as higher cost flour tends to limit consumption.

If it is wiped out by the supreme court, wheat prices might rise on United States markets, and that in turn could exercise a sympathetic effect on prices in Canada and elsewhere.

Loss of Revenue

Loss of revenue from the tax, amounting to some $125 millions annually, would leave the government without funds to compensate farmers for the reduction in wheat acreage.

That in turn would leave farmers who have signed acreage restriction contracts free to seed an unlimited wheat acreage. But it is by no means sure that this would have any material effect on the acreage actually seeded to wheat. Many observers doubt whether the acreage restriction contracts have actually had any effect in reducing acreage.

Indeed, it has been calculated that the way in which the money has been paid to wheat farmers has frequently encouraged and enabled them to put a larger acreage into wheat than they would otherwise have done.

Saint John Harbor Handling More Tonnage

From Our Own Correspondent

MONTREAL. — Saint John Harbor Commissioners report cargo tonnage handled during November at 60,622 tons, of which imports amounted to 48,267 and exports 12,355 tons.

For the same month last year, imports totalled 33,523 tons and exports 15,552 tons, making a total of 46,075 tons.

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Week In Mining

Back of Base Metals

• • • •

Consumption in U. K.

The stage appears to be all set for a real recovery in base metal stocks this winter.

For some weeks now, market prices for these stocks have been climbing steadily. The weighted index number of the Dominion Bureau of Statistics for the week ended Dec. 5 attained 197.4, a new high for the year, and the highest since 1930. The basis of this index is 1926 - 100. There seems little doubt that since Dec. 5 the index numbers will be still higher. With the exception of a few days profit taking, the market for such stocks as Hudson Bay Mining & Smelting, Consolidated Smelters, Noranda, Falconbridge and, of course, International Nickel, have shown sizable gains.

This movement can scarcely be dismissed as a mere market flurry, in view of the very genuine factors which appear to be motivating it.

U. K. Consumption Up

AS A present and potential market for base metals, the United Kingdom is of paramount importance to Canadian producers. It is cheering them, to note how consumption in the mother country has increased this year, and to view briefly the prospects for still further increases in consumption in the next year.

The British Metal Corp. of London issues at regular intervals a report on the consumption of base metals in that country, and the figures contained are known to be reliable. According to this report, consumption of lead, spelter (zinc) and copper have shown tremendous increases.

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Steady Rise

THE following table, which shows the indices of non-ferrous metal consumption in the United Kingdom, with the consumption in 1924 taken as 100, illustrates the point very graphically:

	Lead	Zinc	Copper
1924	100	100	100
1929	123	116	116
1930	112	95	112
1931	112	84	90
1932	106	65	90
1933	128	82	112
1934	147	109	164
1935 (to date)	163	124	181

• • •

Copper

THE Corporation notes that while there was a distinct falling off in U. K. copper imports from Chile and Northern Rhodesia in the third quarter of the present year, owing to the restriction scheme, supplies from Canada, which is not restricting, were higher than in any previous quarter. As a result, copper warehouse stocks in England have climbed from 56,047 tons at Dec. 31, 1934, to 90,665 tons at Sept. 30, 1935. That the increase was not greater was due to further improvement in consumption.

The building, motoring, electrical and general engineering industries should continue to use copper and brass at the same tempo in coming months.

While, after the striking gains in copper consumption last year, some slowing down may be expected in the future, the report believes that the trend will continue upwards in the next few years. Electrification of railroads will be an important future factor.

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Lead

AS REGARDS lead, consumption in 1935 has been fairly well maintained at around 30,000 tons per month, as compared with an average monthly production in 1934 of 27,000 tons. The building boom, both private and government-aided, has of course been responsible for this increase. The corporation expects little change in the extent of total lead consumption during the next year, but should the present rate of private house-building activity be fully sustained into next year, some further increase in the total lead consumption of United Kingdom seems probable.

• • •

Zinc

CONSUMPTION of zinc has also been aided by the building activity and general internal recovery in Britain. The price of this metal, however, has been kept at a comparatively low level owing to greater supply. The chief influence on zinc consumption in United Kingdom in the next few years will be the extent to which overseas demand for Britain's galvanized sheets revives. While intimating that it will be a long time before the 1929 level is reached, the corporation holds out some hope for an early recovery from the present low levels.

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General Picture Bright

BROADLY, the report points out that these metals are largely used in the very industries which have made the most marked recovery in United Kingdom, namely, building, motor, engineering and electrical. These are industries which serve the home market, and the industries dependent on exports have been less fortunate.

The general picture is a bright one. The conclusion seems to be that while slower advances may be expected in some directions, the high levels of activity in the current year will be generally held.

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Turner Activity

SPEAKING recently to Robert Wilkinson, president of Calgary Brokers Ltd. and a prominent figure in Alberta oil development, The Post gathered that the market recovery noticeable in oil stocks over the past week or two had also very tangible background.

Mr. Wilkinson, who is in the east on business, seemed rather conscious of the theory, which, he said, seemed widely held in eastern Canada, that all westerners were inveterate optimists.

Just to prove that he was not merely an optimist when he said that things were moving in Turner Valley, this western oil man showed The Post a wire he had received. He had that morning wired a man in the west, seeking a renewal of an option agreement, which called for a price of $10 per acre on certain leases in the Highwood section. This price had been granted earlier this year, and Mr. Wilkinson wanted a renewal. The answering wire stated that the option had already been taken up; that the new parties might consider $25 per acre, and that these terms could be promised only for the next three hours.

Exploration is being revived in Turner Valley, despite imperfect conditions, Mr. Wilkinson said. Prices for naphtha were not as high as they should be, and taxation was onerous. As a result it was difficult to raise capital in the east. In the west, however, capital for oil development was fairly plentiful.

The statement is supported by the recent strength in oil stock at Calgary and Vancouver, where the activity originates. Activity on eastern exchanges appears to be largely a reflection of the western flurry.

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Taxation Hope

AN INTERVIEW with Hon. T. A. Crerar, minister of Mines in the King government, carried elsewhere on this page, gives some real basis for hope in connection with taxation of mining companies. Mr. Crerar could not, of course, give voice to any formulated government policy, inasmuch as this policy has yet to be decided upon. He appeared, however, sincerely sympathetic with the claim of the mining industry.

While previous ministers have also been apparently sympathetic, they have not had the advantage of a cabinet in which a general feeling of accord existed. That such a spirit exists within the inner fold of the present government seems true. How long this spirit will live when the cabinet meets around a table remains to be seen, but the fact is that at the moment, the mining industry has a very good chance of getting a sympathetic hearing from the legislators.

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Smelters Xmas Gift

SMELTERS has distributed a $3.4 million Christmas present in the form of a dividend of $1.25 per share, plus a bonus of $4 a share, payable Dec. 31.

Some of the cream was taken off the presentation by the fact that the distribution had been fairly well foreseen, and the market had been discounting it for some days.

This dividend, which brings the total disbursements this year to $6.50 per share, as compared with a total disbursement of $3 per share in 1934, is brought about by increased prices for base metals, and improved volume.

The payment of course will be a windfall to C. P. R., which holds about 336,500 of the 651,652 shares outstanding.

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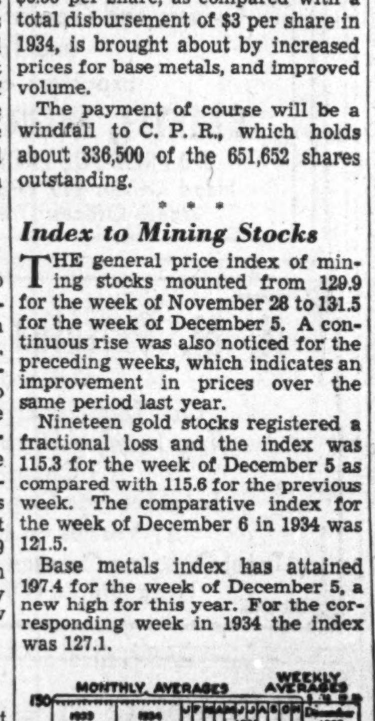
Index to Mining Stocks

THE general price index of mining stocks mounted from 129.9 for the week of November 28 to 131.5 for the week of December 5. A continuous rise was also noticed for the preceding weeks, which indicates an improvement in prices over the same period last year.

Nineteen gold stocks registered a fractional loss and the index was 115.3 for the week of December 5 as compared with 115.6 for the previous week. The comparative index for the week of December 6 in 1934 was 121.5.

Base metals index has attained 197.4 for the week of December 5, a new high for this year. For the corresponding week in 1934 the index was 127.1.



O'Hearn & Co. Issue Gold Stock Analysis

In a recently compiled analysis, F. O'Hearn & Co., Toronto brokers, point to the fact that during the recent sharp advance in base metal and industrial issues, the gold stocks have been in a declining trend. They conclude, however, that the declining movement has been halted, and that at the present time, from a dividend yield standpoint, the gold issues are selling far out of line with other stocks.

Today the majority of dividend paying gold stocks are giving yields of between 4.71 per cent, and 12.95 per cent.

STRONG IMPULSE SENDS B. C. STOCKS TO HIGHER LEVELS

Movement Has Basis in Widespread Developments at Properties

From Our Own Correspondent

VANCOUVER.—Considerable activity in Pacific coast mining and oil shares has developed during the last few days.

Several of the medium-priced mine stocks have moved up, and while this is traceable to no spectacular event, there has been a consistent movement of gold from the lode producers. At no previous time has there been such widespread operation of mining properties in British Columbia.

One of the most active of the stocks is Vidette Gold Mines, operating in the Kamloops district. Gordon F. Dickson, managing director, reports a much improved ore position and milling has been resumed with sufficient ore to warrant continuous operation. The ore is heavy sulphide in the winze which is being sunk on the Bluff vein, and this is typical of the ore that has yielded the best results.

Pioneer Hits Main Vein

A. E. Bull, secretary of Pioneer Gold, reports that the 16th level crosscut from the shaft has picked up the main vein. The vein on this level is 2½ ft. wide and shows good values. On the 15th level, the first of the new low levels, the vein has been drifted on for 100 ft. in promising ore, says Mr. Bull, and a good start has been made in opening all new levels down to the 20th. November production at Pioneer was valued at $265,000, as compared with $270,000 in October with an additional day. The net for the month was $190,000.

Premier & Toburn

Premier Gold Mining Co. has declared a second bonus of one cent a share along with the regular three-cent quarterly dividend, payable January 15, to shareholders of record Dec. 16. Dividends derived from Toburn are sufficient to cover 25 per cent of the regular dividend requirements, according to spokesmen for the company.

Reno Gold set a new production record in November, valued at $76,295 as compared with the previous month's $64,520.

Bralorne production in November was worth $161,245 from 13,495 tons of ore.

B. C. Silver Mines is to be wound up at a general meeting to be held here Dec. 20. This is a formality sequel to the deal with Premier.

Mill For Healy

Hedley Amalgamated Gold Mines, Ltd., is planning a 150-ton mill, according to Frank Parsons, secretary-treasurer. It will be a combined cyanide and flotation proposition.

Bridge River interests are talking of establishing a smelter at the north end of the field to serve Minto Gold and adjacent properties to eliminate cost of shipping concentrates to Tacoma, Wash.

Meridian Gold production in November was 3,995 tons, valued at $18,797. Average recovery has slightly improved during the past month.

CENTRAL PATRICIA GRADE IMPROVES OUTPUT INCREASES

No decision has been made as to a test mill for the Springer group of Central Patricia Gold Mines, Alan Cockeram, sec. treas. tells The Post, despite rumors to the contrary on the street.

A mill has been considered for this promising young property, as a test operation, but nothing definite has been decided. F. M. Connell, president, is leaving for the property and a decision will probably be made on his return, in a week or two.

In the meantime, official figures from Central Patricia continue to indicate particularly good conditions. Millheads are actually increasing, despite increased tonnage. During November, and including the last three days of October, production amounted to 2,865 ounces. The total tonnage milled was 3,895 tons, which gives an average of .73 ounces per ton recovery.

Increased production was due to the higher grade ore taken out in the development and opening up of the B ore shoot on the 500-ft. level.

The additions to the mill are well under way, and should be effective in the course of a few weeks.

Ventures' New Subsidiary To Make Nickel Steel

Ventures Ltd., wide-spread Canadian exploration and investment company, has formed a new subsidiary, Fahralloy Canada Ltd., to produce nickel steel alloys at Orillia, Ont. N. F. Parkinson, who for many years has been sec.-treas. of Ventures, has been appointed president of the new subsidiary. A. G. Fulton is secretary-treasurer. H. Whittingham, a director of Ventures, has been appointed to succeed Mr. Parkinson as secretary-treasurer of Ventures.

The major part of the stock of Fahralloy Ltd. will be held by Ventures, although Falconbridge, the producing nickel subsidiary of Ventures, will own a considerable amount of the stock, it is understood.

Jowsey Island Drift Is Still in High Grade

Drifting on the first level at Jowsey Island Gold Mines, God's Lake subsidiary in the God's Lake field of Manitoba has been extended 57 ft., and is still in the high grade ore encountered at the first, officials of this company inform The Post.

As yet, assays are only available for the first 17½ ft., which gave values of 1.37 ounces over an average width of 3.7 ft.

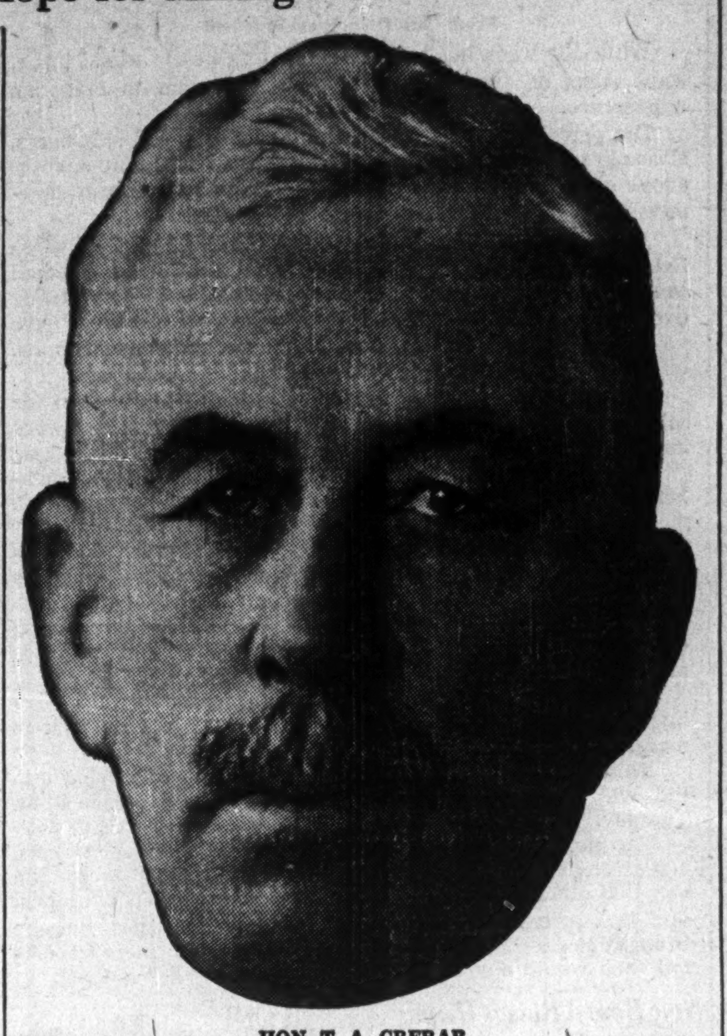
Clark Gold Prepares To Speed Development

A full carload of drilling and drifting machinery has been shipped to the property of Clark Gold Mines, in the Kenora mining division of Ontario, The Post learns from an official source. This will permit the speeding up of shaft sinking and underground development.

New Champion for Mining

Hon. T. A. Crerar Gives Cautious and Definite Hope for Mining in Interview

BY WILFRID SANDERS



HON. T. A. CRERAR

The Canadian mining industry has a new voice to plead its cause in the council hall of the nation's Big Chiefs.

The mining industry knows little about this new champion chiefly because most mining men are young, and do not take much interest in politics. Thus their memories do not go back very clearly to a decade or so ago, when Hon. Thomas A. Crerar, now Minister of Mines, was being widely referred to as Canada's next Prime Minister.

No matter how much the mining industry prides itself on its lusty independence, experience has shown that it needs a champion at Ottawa. History has shown what a stifling effect an unsympathetic government can have on the industry, from the early days of the Maritimes, when the British government deliberately held back development of Nova Scotia's coal beds, to the late unlamented bullion tax incident.

Hon. T. A. Crerar is not new at the business of championing. He has a penchant for it. It might be said that if he had not had this penchant, he would never have entered politics and might still be teaching school in the West or farming. Or, if he were not farming, he might be raising wheat.

The reason he entered politics in the first place was because of a sincere conviction, as a very young man, that 50-cent wheat, "monopolistic" elevator companies, "unreasonable" railways, and "fostered" manufacturers were a combine in restraint of farming. It was not until 1917, however, that he decided to enter the Borden cabinet, on formation of the Union Government.

Not a Politician

But Mr. Crerar is not and never was a politician. He has a decided distaste for politics, as generally defined, and looks on it as merely a means to an end. Which might be a lofty view of politics, or a base one, depending on the end. The fact remains that if Mr. Crerar had been a politician, or if he had selfish ends in politics, he would not have resigned his comfortable berth in the Union government because of his free trade convictions. The Union government, he also argued at the time, was formed as an emergency war measure. When the war was over he resigned.

In 1921, he again arrived at Ottawa as a champion, this time of the Progressive Party, of which he was leader. About a year later, he again resigned. At the time of his resignation, he stated that he was motivated by purely personal reasons, and because of his duties as president of the United Grain Growers. He added that it would be "very inconvenient" to spend four or five months of the next winter in Ottawa. Picture, if you can, a "real" politician abandoning a promising political career because he found it "inconvenient" to be in Ottawa.

Emerges From Obscurity

On June 17, of this year, Mr. Crerar was 59 years old. For almost 14 years he has been buried in almost utter obscurity, politically speaking. There were those who believed that politically, Mr. Crerar was a "has-been." In a man of lesser character, this might be true, but in the case of the quiet Mr. Crerar, the fact that he has not been heard from for 14 years, by no means indicates that he is through.

The early background of Mr. Crerar's life has been printed often since his return to Ottawa. Briefly, he was born in Molesworth, Perth Country, Ontario, and went to Manitoba with his farmer father when he was five years old. Until he was 19, he worked on his father's farm. He put in [illegible] part of a term at Manitoba College, teaching school to defray expenses. Then he want back to farming, where he remained until 1917.

New Deal For Mining

His appointment to the portfolios of Mines, Immigration, Interior and Indian Affairs coincides with what might be a very important development in mining. Previously, the mines portfolio has been largely overshadowed by its association with labor, the latter generally considered more important. Today, the new minister may, and probably does, consider mines his chief concern.

Because, perhaps, of the fact that he is no politician, the Press Gallery at Ottawa fondly refers to Mr. Crerar as the "Gentleman of the cabinet." An interview with him makes plain the reason for this title. When The Post dropped in to see him recently, the entire cabinet was making last minute plans for the Dominion-Provincial conference, and were very busy. On this particular morning, Mr. Crerar had been having an all-morning conference with the Cabinet Wheat Committee, and was exceedingly busy. But there was no indication of this as he pulled two big easy chairs up to the open fire in his office, slowly filled his pipe and sat back for the interview.

Quiet Spoken

Physically, Mr. Crerar is fairly heavily built. His face is deeply lined, and gives a false impression of worry. One would expect him from his physique to have a hearty, blustering voice and manner. But the reverse is true. He speaks quietly, and slowly. His manner is that of the cultured man.

In speaking to The Post, Mr. Crerar made it clear that he was talking for himself and not for the government. It was too early yet to expect a formulated government policy, and the fact that mining was to be an important item of the provincial conference agenda, naturally made it impossible for Mr. Crerar to speak for the government.

Speaks Personally

So that what follows is what the new Minister of Mines would like to see happen, not necessarily what the government plans to do. Whether Mr. Crerar can crystalize his wishes in legislation, remains to be seen. He did intimate, however, that the various government departments were in complete accord, and that the mining industry could expect a sympathetic treatment of its problems in the council.

The first subject that came up was naturally, mining taxation. Mr. Crerar was obviously careful in what he said. Speaking recently at a public function in Winnipeg, he said something about mining taxation which gave rise to wild rumors, one of which was that the government plan to reduce taxation within 24 hours. There was little basis for this rumor in what Mr. Crerar said at that meeting, but nevertheless a short-lived zoom in gold stocks was definitely traceable to the speech, so that one could not blame the new minister for being cautious.

What He Would Like

He stated during the interview that a committee to deal with mining taxation would be formed at the conference and the matter given a full airing. Personally, he said—and again, he was not speaking for the government—he would like to see mining taxation modified. He would like to see a definite assurance given the industry that the ultimate schedule of taxation, whatever it might be, would remain in effect for at least five years. He would like to see a definite agreement between provincial and federal governments as to what levies each would impose.

"We naturally do not want to pass legislation which would give more encouragement to mining capital, only to have one of the provincial governments step in and neutralize the benefits by imposing additional burdens," he said.

Wheat and Gold

He outlined, as a broad principle—and this time he was speaking for the government the theory that a tax on production was basically wrong. Reverting to the dialect of his first love, he said; "Nobody would think of saying to the farmer; 'For every bushel of wheat you produce, you must pay the government so much money.' The idea is equally silly when applied to gold, or zinc or any other metal."

Of one thing, then, the mining industry can be fairly certain. It will not, in the next five years, have to face a tax on production. The incidence of taxation should be so distributed as to encourage initiative, not stifle it, the new government believes.

That was about as far as Mr. Crerar cared to go on the taxation problem, which is of paramount interest to the mining industry just now, except to point out that the Prime Minister had himself publicly promised consideration of present taxation schedules.

But he has other ideas. He would like to see cheap fares for prospectors, and cheaper freight rates for mining machinery. The mining industry had done much for the railroads, and the railroads could well do something for the mining industry.

He believed, he said, that the attitude of the government toward mining should be to encourage and aid it, to foster the inflow of capital, and to give the industry concessions wherever possible.

When written, this looks trite. When Mr. Crerar says it, it sounds very convincing, and very encouraging.

Remember, Mr. Crerar is no politician.

Nugold Registration Is Granted in U. S.

Officials of Nugold Mining Corp. report that registration with the Securities & Exchange Commission of Washington has been granted for the sale of one million shares of capital stock in the United States at 50 cents per share. The public offering date is set at Dec. 1. Arrangements have been made with United States interests for the distribution of the stock, it is announced.

The company is concentrating development on the Blockhouse-Dome mine in Nova Scotia, where a crew of 17 men, under Major Frank Williams, is employed. A mining plant has been installed. Present development is aimed at opening up sufficient ore to justify a 50-ton mill early in 1936. The company's properties in Ontario are inactive at present.

MILLING IS NEAR AT ARGOSY GOLD WORK INDICATES

Ore Possibilities Brighten at Old Casey Summit

From Our Own Correspondent

SIOUX LOOKOUT, Ont.—Argosy Gold Mines continues to advance toward regular milling, and by January the plans should be complete. The property was equipped with a 50-ton mill when, as Casey-Summit Gold Mines, it was financed to the production stage by Maple Leaf Mines. Financial difficulties were followed by reopening under combined development funds of Coniagas Mines, Ltd., Northern Canada Mining Corp., Ltd., and Kenty Gold Mines, following which an aggressive exploration programme has been under way for several months, though no attempt has been made to run the mill as yet. Consideration is being given to a change in the flow sheet, but no definite decision in this regard has as yet been reached: metallurgical tests are being made on ore shipments.

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GOLD STOCKS

Our comparative chart indicates that the gold stock group presents an interesting market situation at the present time. Copy of this chart available upon request.

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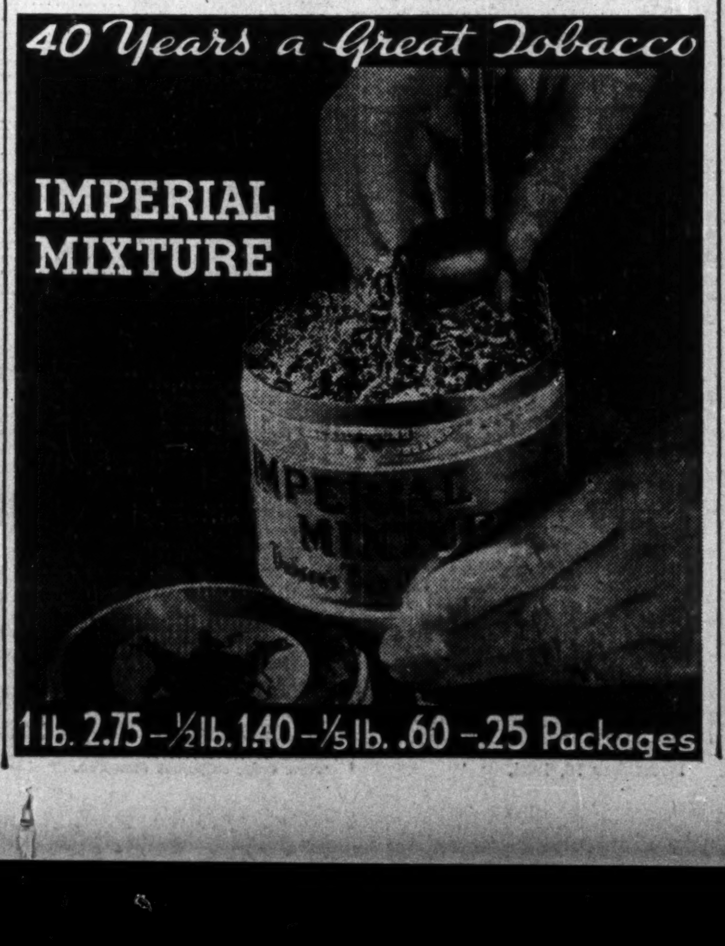

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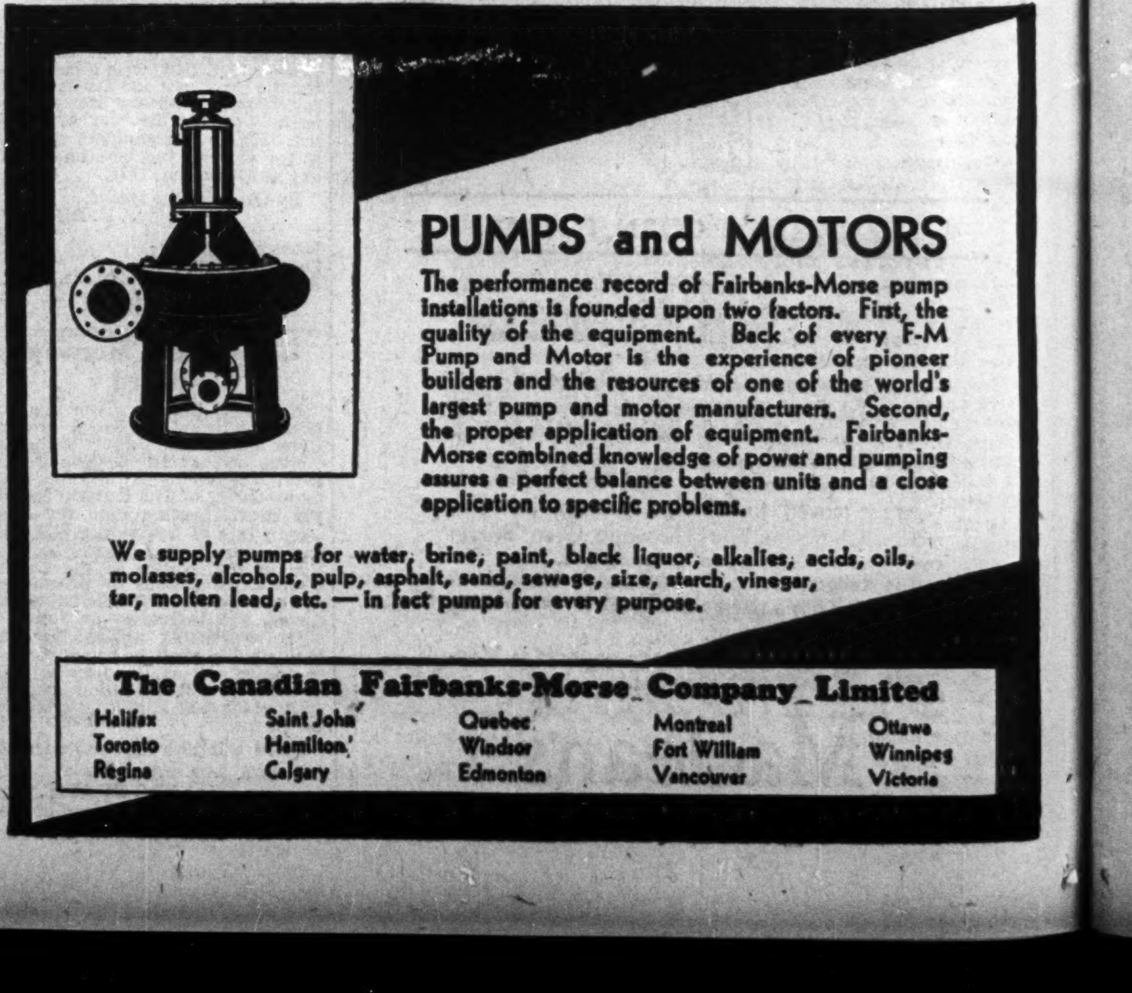

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McKenzie's Treasure Island

Being the Narrative of Trader McKenzie; His Death at the Hands of Savages; and of the Gold and Rum that Remain Upon the Island to This Day

By THOMAS C. THOMPSON

This is a tale of buried gold, of rum and savages, and an island where McKenzie, veteran Scottish fur trader, left a treasure before he fled for safety to the mainland.

McKenzie was killed on the mainland by savages and his secret buried with him, but, apart from the rum (which has never been found), most of the story can now be told. Unlike most stories of buried treasure, the tale is true. There is the gold, for example, to prove that.

It was nearly 130 years ago, and piratical frigates and other craft manned by "gentlemen of fortune" still sailed the seas, when McKenzie set out on his ill-fated quest. Many of his Scottish countrymen followed the sea in their search for fortune, but McKenzie took a more prosaic course. He became a "factor" for the North West Fur Company, then pushing its way westward into the Canadian wilderness.

The fact that McKenzie travelled by canoe, and with Indian guides, rather than treading the deck of another "Adventure Galley," in no way destroys the romance—or alters the tragedy—of what followed.

Trading Post Established

A hundred miles or so northwest of Lake Superior, the trading factor and his Indian guides reached the shores of what is now Red Lake. It was in friendly Ojibway country, and a trading post was established on one of the islands chosen for its strategic trading location, and for its equally strategic natural defenses against the hostile Sioux.

The rocky and wooded island became known as McKenzie's Island and the trading post flourished in peace. Canoes laden with furs went regularly to the mainland and returned with increasing numbers of Ojibway braves and their families.

Governor McKenzie

Soon a colony had grown up around the trading post, and as more and more Ojibways came to settle in the thriving community McKenzie gradually assumed the powers of governing his community and providing for its welfare.

Like a wise governor, he frequently gave thought to his defenses against a possible invasion by the hostile Sioux. He was wont to stroll alone through the island and along its shores with a careful eye to the rocks and wooded slopes that might afford good cover for a defending force. There is no record of it, but he probably posted more than one lookout when rumors of an impending Sioux attack were first heard.

Buried Treasure

And he could not have failed to notice, in the years he spent on the island, that its rocks in places were flecked with bits of yellow. Even then he may have had some inkling of the treasure buried beneath.

Then, on a fateful day in 1805 or thereabouts (the record is vague as to dates) an exhausted North West Fur Co. runner arrived at the island from Lake Winnipeg with the news that the Sioux at last were on the warpath.

They were intent on wiping out their Ojibway foes, the runner told McKenzie, and over a bottle of rum in the trading post, McKenzie learned that his Ojibway community would have to face an overwhelmingly larger force of the enemy.

In flight lay the only hope of safety for McKenzie and his Indian families. No time was lost in packing the canoes, and hurriedly taking all they could carry the Indians started across the lake to join the Ojibway encampment then located on Pelican Lake at the foot of the Sioux Lookout Hill.

McKenzie was one of the last to leave on the journey to Pelican Lake, where in the safety of numbers, the refugees hoped to find a respite from attack. The trader made everything ready, and abandoning most of his stores, still remained to bury 80 ten-gallon kegs of rum by the shores of one of the near-by lakes of the island.

Rum and the Sioux

Scotch thrift was not his only reason. The rum in the hands of the Sioux meant that a howling pack of human devils would be loosed on the Ojibway encampment. It was only a slim chance at best that the Sioux could be defeated and the rum—heating the brains of the invading braves to a still more frenzied madness—would certainly have spelled defeat and massacre for the Ojibway tribesmen.

Sentry Betrays Ojibways

McKenzie and his followers reached the mainland and, passing an Ojibway sentry, were quickly aiding in preparations for the defenses of Sioux Lookout Hill.

High on the hill, the Ojibway kept watch for the invaders but stealthy Sioux scouts had already seen the lone lookout, and after circling widely around the hill, they captured him before a warning could be shouted. They offered him his life in exchange for his services as a guide to the main Ojibway encampment. The treacherous Ojibway agreed.

Without warning, the Sioux hordes burst upon their foes, and the Ojibways, McKenzie and the fur company runner from Lake Winnipeg all fell beneath the tomahawks of the marauders.

Squaws Die of Starvation

Only the squaws and children were spared ... to die of starvation on one of the islands of Pelican Lake where they were marooned by the victorious Sioux. To this day the island is known as Squaw Island.

And the massacre marked the end of McKenzie Island as a fur post.

Yet even today may be seen traces of the old fur "factory," the bottom logs that banked the foundations, and traces of the 130-year-old community. The rum is still there, undiscovered by Indians and the whites who followed in the old trader's footsteps, although it has been the object of searches by many an adventurer since.

The Gold is Found

But the gold, buried in the rocks of McKenzie Island, has been found. Today it is coming through the shaft head of McKenzie Red Lake Gold Mines, and other modern treasure seekers are blasting, cutting, and drilling the island rock in search of more.

As long ago as 1893, the rocks that attracted old McKenzie's interest, caught the eye of Dr. D. B. Dowling, of the Geological Survey of Canada, and he made the important discovery that gold was present. Over the ground walked by the ill-fated trader, Dr. Dowling found what is now known as the Red Lake basin of sedimentary rocks.

The Rush of '24

Dowling's discoveries passed out of the minds of men almost as completely as the memory of McKenzie, although his notes remained and many years later came into the hands of Dr. E. L. Bruce of the Ontario Department of Mines. Dr. Bruce made a further examination, and the ground was later mapped topographically and geologically by an Ontario government party.

Publication of the report of Bruce and his party in 1924 was the signal for the now famous Red Lake gold rush.

McKenzie Island had yielded its secret after 120 years.

Grab Samples from N. W. Ont.

From Our Own Correspondent

LOCHALSH, Ont. — Diamond drilling is under way on the Kremzar property of the Algoma Exploration Co., which has been optioned to interests represented by Percy E. Hopkins, geologist.

The Kremzar a few years ago was the scene of discovery of extremely high-grade float, and the search for the vein source of this material has resulted in opening up a number of veins of indicated economic potentialities.

The owners, a Sault Ste. Marie group, did a great deal of work on the property, and subsequently M. J. O'Brien, Ltd., explored certain of the vein occurrences by diamond drill, receiving therefor shares in Kremzar Gold Mines, Ltd., formed to operate the property. Later, the late Dr. J. McIntosh Bell, acting on behalf of a private syndicate of leading British Empire mine executives did more work, which resulted in bringing to light at least a dozen separate showings.

At least one of the vein showings was considered to warrant the installation of a small mill for bulk test purposes, and this was a plan of the former operators.

A contract has been given to Smith and Travers for an unstated footage.

White Find Worked

Permanent camps have been completed on the White gold discovery at Dog Lake, which created a late-season flurry of interest in the Lochalsh-Goudreau field, and a crew is at work on the main showing, preliminary to ore shipments which impend.

The plan is to cob a certain amount of the high-grade material showing on surface and ship for treatment, and as the work progresses more extended information as to the occurrence will be acquired on which to base continued exploration plans. The effort is being privately financed.

Current Chatter from B. C.

From Our Own Correspondent

VANCOUVER.—Greenwood mining interests, headed by W. E. McArthur, plan operation of the Superior concentrating mill at Greenwood, having acquired the 50-ton plant of the Superior Gold Mining Co. at the Providence mine.

* * *

Kootenay Belle Development

Deep development is being continued at Kootenay Belle mine under favorable conditions, reports President F. M. Black, who has recently returned from the property. Drifting to the west of the crosscut on No. 3 level, about 700 ft. below the surface, an ore shoot 55 ft. long containing good sulphide ore has been encountered, he says. The face is one ft. wide and assays one ounce in gold. The drift has advanced about 190 ft. to the east and conditions have been found similar to those found on No. 2 level. No ore is being drawn from this level pending completion of the tramway system.

* * *

Gold Belt at Depth

Depth possibilities of the Sheep Creek camp will probably be ascertained pretty well during the next few months as a result of the operations at Gold Belt Mines, Ltd., whose holdings run between Reno on the north and Kootenay Belle and Sheep Creek on the south. A low-level tunnel 1,850 feet below the outcrop and 1,250 feet below the No. 6 tunnel, the previous lowest working, is being driven by North American Mines, Inc., which has an operating agreement with the owners of the mine.

Schreiber Pyramid Finishes Test Mill

Construction of a pilot mill has been completed at the property of Schreiber Pyramid Gold Mines, it is officially reported and tests to date have proved satisfactory. It is believed that development work will be helped by the installation of this mill which will be used for bulk sampling and as a source of revenue.

Mining Enquiries

Arbade and Costs

I have taken considerable stock in the Arbade Gold Mines. Have you any information on file regarding the prospective mining and milling costs and the assay percentages apparent?

Would you also kindly furnish me with the mining and milling costs, together with the average assays of such mines as Lake Shore, McIntyre and Young-Davidson?

Arbade Gold Mines owns a property in the Matachewan district of Ontario. Some work was done this fall and officials claim that results were encouraging. However, the past record of this company is not such as to inspire much confidence. No information has been forthcoming as to values or widths and the outlook is very uncertain. It would be utterly impossible to estimate what the mining and milling costs would be on this property at its present undeveloped stage. It is still little more than a raw prospect.

Mining costs at McIntyre Porcupine run about $2.75 per ton. Milling costs average about 72c. per ton. To these costs of course, must be added development and exploration, taxes, general and administrative expenses which make total operating costs of about $5.44. Depreciation and write-offs increase this figure to a total cost of about $5.95. The average assay value of ore reserves were estimated in March of this year to be $6.55 with gold at $26.67 per oz. At current gold prices this average assay value would be about $12 per ton.

Mining costs at Lake Shore Mines in the fiscal year ended June 30, 1935, average $3.52 per ton milled. Milling costs amounted to $1.26 per ton. To this one would have to add development costs, taxation, administrative and general expenses, depreciation and write-offs which brought total costs to $7.80 per ton. The recovery per ton averaged $11.50, leaving a profit per ton, exclusive of the special bullion tax of $3.70 per ton.

Young-Davidson is a low grade property which has been operated at a profit due to the large resources of the parent company, Hollinger Consolidated. We regret that Hollinger does not divulge operating costs at Young-Davidson, but it is known that recovery per ton of ore milled averages only about $1.75. The fact that costs are kept low enough to provide a profit on this grade of ore is due, of course, to the fact that most of the operations have been carried out by open pit mining which is much cheaper than the usual shaft operation necessary in most mines.

Slocan Rambler

I should be grateful if you would give me information regarding the value of 1,250 shares of Slocan Rambler Mining Co. Where is this mine situated? Are these shares listed?

Slocan Rambler Mining Co. is at present inactive, but still owns a former producing silver-lead-zinc property in the Slocan Mining Division of British Columbia. After Stobie Forlong & Co., fiscal agents, went bankrupt, operations were suspended in January, 1930. The stock was listed on the Vancouver Stock Exchange, but there is no activity in the stock and the shares have no value at the present time. This is one of those companies that has been hard hit by low lead and zinc prices. It might be that when lead and zinc prices are restored to pre-depression prices the stock of this company would again become active. The outlook at present, however is very uncertain. Head office of this company is 213 Bank of Commerce Building, Vancouver, B.C., and its property is four miles east of Sandon, British Columbia.

Home Oil Co.

I would like to see as complete an analysis as space permits of Home Oil Co. What are its assets? Does it hold stock in other companies, and if so what are its holdings? Anything along these lines you can give me will be appreciated.

Home Oil Co., whose head office is in the Pacific Building, Vancouver, B.C., formerly operated producing petroleum and natural gas properties in the Turner Valley district of Alberta, all of which were turned over to the Royalite Oil Co. subsidiary of Imperial Oil in November, 1934.

At present, Home Oil Co. is a holding concern with investments in various mining companies in British Columbia. In addition to the 22,000 shares of Royalite Oil stock obtained in exchange for the property, Home Oil owns the following stock: Bralorne Mines, 2,000 shares; Pacific Eastern Gold, 440,000; Pioneer Gold Mines, 4,700 shares; Placer Engineers Ltd., 88,000. These holdings, of course, are as at March 12, 1935, the date on which the company's annual report appeared.

Briefly this company has had considerable success in rehabilitating its capital position, current assets exceeding today current liabilities by about $450,000. Earnings, however, have been slow due to the comparatively speculative nature of the company's holdings. Although this company has a strong board of directors, its portfolio lacks any particular investment appeal.

Ymir Yankee Girl

What is the present outlook for Ymir Yankee Girl? I would appreciate a brief report.

Recent reports from Ymir Yankee Girl Gold Mines indicate that conditions at this company have greatly improved in the last few months. Cash reserves have been increased from $48,283 at the end of August to $72,849 early in November. Ore reserves as at September 30, including assured and probable ore, totalled 258,500 tons of a grade between .41 oz. gold to .6 oz. gold. The ore also contains value in silver, lead, and zinc.

The mill, started last September, at first gave rather disappointing results. More recently, however, improvements to the flow-sheet have increased the percentage recovery and higher earnings are indicated.

Wright-Hargreaves

I am holding my stock in Wright-Hargreaves, and am wondering now if this is a wise policy. A word from you would be appreciated.

Wright-Hargreaves Mine, veteran Kirkland Lake producer, recently announced that its tonnage had been increased. The grade of ore at $20 a ton gives a monthly output of over $600,000. Earnings of this company have been and are still well in excess of dividend requirements.

In addition to paying dividends which in the fiscal year ended August 31, 1935, amounted to 60c. per share, the company has materially increased its working capital position. Ore reserves are satisfactory, having shown a steady increase in tonnage although the grade has fallen off slightly, due, of course, to the company's ability to treat lower grade at a profit, under present gold prices.

Gull-Kirkland

In 1927 I bought some Gull-Kirkland, 1,200 shares in all, from a King St. firm. Do you think an honest effort was made to develop the mine, or was the effort concentrated on selling stock? In either event, what should I do now?

From the first, Gull-Kirkland was a gamble. Its chief merit was in its proximity to Toburn, the former Tough-Oakes-Burnside property and other profitable Kirkland Lake producers. While the stock should never have been presented to the public as anything else but a gamble, there is every evidence that officials of the company itself made a commendable and sincere effort to achieve success. Drilling, however, was very disappointing and the property has been inactive for a number of years. We have heard no plans for resumption of activities and since there is no market for the stock, there seems to be little you can do but hold your stock.

Paymaster Consolidated

What is your opinion of Paymaster Consolidated, in the light of present conditions at the property? What will its earnings per annum amount to?

Paymaster Consolidated Mines is operating a producing property in the Porcupine area of Ontario. In addition to milling about 250 tons of ore a day, the company has, during the past year, materially increased its ore reserves, which now stand at around 166,400 tons.

Production is netting the company around $55,000 per month, although, in view of the fact that milling was only resumed in September of last year, it is yet too early to estimate what this company will have earned by the time its fiscal year ends in June of 1936. Operations appear to be on a satisfactory basis.

One drawback to market operations of this stock is its rather unwieldy capitalization, which amounts to $9 millions in $1 par value stock. Nevertheless, operations have been businesslike and this company appears to have definite attractions as a speculation.

God's Lake Gold

I bought some of this stock earlier in the summer, largely as a result of favorable write-ups in your excellent paper. I notice that the market has been declining of late. Is there any reason for this, of which the public is not acquainted? I am not getting panicky, but would like to know what's going on.

Despite the fact that developments on the 500-ft. level at God's Lake Gold Mines, have been rather disappointing, we see no reason to become alarmed, although disappointing results from this particular section of the company's developments have had a very bearish effect on the stock.

However, most competent observers are taking the view that these results are all a part and parcel of mine development and do not necessarily affect the outlook of the property. On this level, geological conditions still remain excellent and while values have been erratic, there is reason to believe that depth development will materially improve the outlook. God's Lake is managed by very experienced men, and the whole business of bringing this property into commercial production is being handled in a business-like manner. Officials have never attempted to disguise development and have earned the confidence of shareholders.

Briefly, therefore the market would appear to be over-exaggerating the significance of the developments referred to above.

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To Levy Income Tax On Granby Payment

With the November 30 dividend cheque, U. S. shareholders of Granby Consolidated Mining, Smelting & Power Co. are receiving an explanatory statement from the president, Charles Bocking. It is to the effect that the Dominion of Canada taxation authorities contend distributions to shareholders, even though by way of return of capital, are properly classified as dividends within the meaning of Section B of the Income War Tax Act of Canada.

Accordingly, taxation authorities consider that the company is required to deduct 5 per cent of the distribution authorized on shares held by non-residents of Canada and to remit these amounts to the receiver-general of Canada. This deduction has been made and will be paid under protest, Mr. Bocking states.

As this is a tax against the shareholders, the company has no status to institute proceedings for its recovery.

MARKET REFLECTS ORE DEVELOPMENT AT FALCONBRIDGE

Price Doubles in Two Weeks as Eastern Ore Body Opened Up

From Our Own Correspondent

SUDBURY. — The importance of recent developments at the property of Falconbridge Nickel Mines is being reflected in the enhancement of quotations for the company's shares on the stock exchanges. Falconbridge is outstripping some of the other base metal stocks in the extent of its price appreciation, having doubled in value during the last few weeks, breaking through the $8 mark at the week-end.

Falconbridge has appreciably added to its ore picture during the last two years, at slight sacrifice to grade.

Power from the Abitibi Canyon has recently been made available for the servicing of the company's new No. 5 shaft, and with the new machinery installed, development of the eastern ore body can now proceed at a greater rate of progress. The manner in which ore has been put into sight in the operations from the new shaft is reported to have been most encouraging. The ore is expected to average as good or a little better in grade than that in the old workings of the mine.

It will be the autumn of 1936 before full results of the enlarged mining programme can be had. For the time being Falconbridge officials have all they need to occupy their attention in the underground development scheme. Enlargement of the smelting and refining units will be necessary before it is possible to take advantage of expanding market demands, as existing facilities are working at peak.

Gold Quartz Mining Gets Drill Results

Gold Quartz Mining Corp., formed in February of this year, and which recently acquired property in Courville, Quebec, has been drilling with encouraging results, Harry Button, president, informs The Post.

Two holes each 100 ft. long were put down 50 ft. apart in the large mineralized dyke of some 70 to 75 ft. in width. This ore body has been stripped and trenched for some 200 ft. and a shaft has been sunk for 20 ft. Values range from $7.35 to 70c.

REPORT DEPOSITS AT PIGEON RIVER LIKE SUDBURY ORE

Striking Similarity Noted in First of Geological Reports

A striking similarity between the huge copper-nickel ore bodies of the Sudbury area and copper-nickel sulphide mineralization in the Pigeon River area of Ontario, south and west of Port Arthur, has been noted by the Federal Department of Mines through the Geological Survey

In the first report published by the department on the results of its past season's million dollar programme, Dr. T. L. Tanton describes the several occurrences in this comparatively little known area of Ontario.

Rock Like Sudbury

Dr. Tanton, working in the area during the past field season, notes the remarkable similarity of the rock structures and the mineralization to those of the Sudbury area, a feature which was further demonstrated when assays revealed that the sulphides carry platinum values.

Little is known of the commercial importance of the deposits and the area in the vicinity of the mineral occurrences is largely drift covered. Rock outcrops are not numerous and are of small area.

The property staked by the late John McCuaig of Port Arthur in 1913, and now owned by his heirs, is believed to be the scene of the first discovery of this type of mineralization in the area which is two miles north of the international boundary.

Values in Three Metals

Very little work has been done on any of the occurrences in the area, however, and their potential economic significance has never been realized. A representative sample taken across 15 ft. of the old workings on the McCuaig property assayed 0.34 per cent nickel, 0.62 per cent copper, and 0.15 ounces of platinum to the ton.

Copies of the report are obtainable from the Director, Bureau of Economic Geology, Department of Mines, Ottawa.

U. S. MONEY ENTERS CENTRAL MANITOBA

Visitor Says Plenty of Capital Across Border

From Our Own Correspondent

WINNIPEG. — Plenty of United States money is available for Canadian mining, says Harry G. Hughes, of Minneapolis, who together with Albert E. Hill, attorney of the same city, has just closed out a deal for the Buckeye group of claims.

In obtaining possession of this group Mr. Hughes says that early development is already financed and pending continued good showings further arrangements have been made to carry the property through to production.

The Buckeyes lie a short distance to the south of the Central Manitoba Mines property and for the most part have been owned for a considerable time by Lee Wolvin, Duluth. In the past few months the group has been consolidated by the purchase and staking of fractions so that now it covers a known break for approximately two miles in length and one claim in width. A vein system has been traced for more than 800 ft. and on this a considerable amount of development work has been done in the past, including stripping, trenching and some deep pitting. Values in some of the pits ran into high gold figures but average figures on the old gold basis ran better than $30 per ton.

McMillan Drifts On Two Horizons

From Our Own Correspondent

SUDBURY.—Drifting on the main vein at the 750 and 875 ft. levels of McMillan Gold Mines in the West River area is now proceeding, and it is officially stated that good widths of mineralization extending up to 15 ft. have been encountered on both horizons. It will be some time yet, however, before the ore chances at these two new levels are fully explored.

Big Missouri Mill May be 2,500 Tons Vancouver Hears

From Our Own Correspondent

VANCOUVER. — Definite announcement of plans for developing Big Missouri will probably not be made until the company's annual general meeting in February, but in the meantime Consolidated Mining & Smelting Co. is continuing a vigorous exploration of the property's possibilities.

Several engineers have been sent to Anyox to examine the plant of Granby Consolidated, which abandoned that field last summer. The Granby holdings were taken over by Smelters and it is the general belief that much of the Granby equipment will be used in connection with the expansion programme planned for Big Missouri.

May Be 2,500 Tons

Reports are current here that the Big Missouri mill will have a capacity of closer to 2,500 tons rather than 1,500 tons, the figure mentioned last spring by G. H. Rainville, president.

The flotation mill at Anyox when treating Granby ore had a capacity of 5,000 tons daily.

Siscoe Gold Mines Hits Record Output

Gold production by Siscoe Gold Mines in November touched a new high monthly total of $195,213, according to the company's regular report to the Montreal market. This compares with the previous high month of $194,861 recorded in October this year and with $185,178 in November of last year.

November mill heads averaged $16.62 which compares with $16.07 in October and $16.87 in November, 1934. Tonnage for November was 12,042 as against 12,439 in October and 11,460 in November, 1934.

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New Trends in Business

Co-ordinated Efforts of Engineers and Business Executives Foreshadow Important Developments in Merchandising, Transportation and Building

BY H. L. SOUTHALL

An Industrial Revival?

Will the efforts of technicians and merchandising experts to stimulate business during the depression soon bear fruit?

H. L. Southall, Managing Editor, Trade Newspaper Division, The MacLean Publishing Company Limited, finds much evidence leading to that conclusion.

But there are still many problems to be overcome, and they are fully discussed in Mr. Southall's article on this page.

Prospects of new and important developments in various branches of industry, including transportation, merchandising, and building were probed by speakers at the recent meeting of The Associated Business Papers Inc. in New York. Experts in their respective fields discussed present conditions and voiced their views of the outlook.

Mr. Southall, representing The MacLean Publishing Company Limited, reviews the highlights of this unique business conference and presents a cross section of business conditions and prospects, summarized for The Financial Post's readers.

Design engineering of new products has reached a new all time high this year, and new opportunities in distribution are encouraging the opening of thousands of new retail and service business, it was revealed by leading business executives and business paper editors at the annual meeting of The Associated Business Papers Inc. in New York last week.

The A.B.P. comprises in its membership some 160 of the leading trade, industrial and class publications of United States and Canada, including Hardware and Metal and Canadian Grocer, two of the leading trade papers of this country.

An important branch of the A.B.P. is the National Conference of Business Paper Editors which meets frequently with representative groups of business and governmental leaders and, through radio broadcasts and newspaper releases, keeps the public informed on significant developments in the trade and industrial fields they represent.

Sensing the Trend

This year's conference featured addresses by a number of outstanding business and governmental executives, planned with the idea of probing the future of various important lines of activity so that business paper efforts could be directed along the most effective lines. One of the largest gatherings of representative business executives took place at a banquet held by the A.B.P. with an attendance of approximately 1,200 men.

Many New Retailers

Entry of hundreds of new retail and service concerns into the business picture of late is said to be partly due to the fact that buying power among the masses has greatly revived; also the legislative trend has been toward providing more encouragement for the smaller man in business.

Many persons with a good training in department, chain or independent retailing businesses are now visualizing greater fields of opportunity in business for themselves and this is the phase of the business cycle in which most new businesses got under way. The larger chain stores and department stores are said to be encountering great resistance to further expansion and losing many trained men desirous of opening up their own businesses.

Service Businesses

Another noteworthy development is the entry of many plumbers, handymen and others into service businesses made necessary by the extended use of electric refrigeration, air conditioning, etc., and accelerated by the fact that electric refrigerator manufacturers are curtailing their guarantee periods.

Many such businesses are being profitably operated and an extensive development of such businesses is forecast as a likely feature of the next few years of expansion.

Many New Products

A contributing factor to such a development will, it is felt, be the large number of new products now coming on the market and in prospect for the next few months. It was the editor of one of the leading engineering and mining publications who stated that design engineering of new products has reached new high levels in 1935.

A visit to the great chemical exposition which was in progress in New York simultaneously with the A.B.P. meeting, convinced some Canadian business paper editors of the soundness of this statement. It is evident that many new developments of importance are imminent. They will create great new markets and help to solve many of the difficult problems which some branches of industry have been facing. Some progressive Canadian manufacturers were noted among those in attendance.

New Metal Alloys

Progress in the development of new lightweight metal alloys, the development of air conditioning to the place where it will be available even for use in automobiles, and reduction of costs to the point where many articles of comparative luxury can be brought well within the buying range of the masses, are some of the developments in prospect as outlined by speakers at the A.B.P. meeting.

A veritable boom is in progress in the machine tool business of the U.S., which lends weight to predictions that business and industry are anticipating a great expansion of business in the near future.

Trade Agreement

The recently consummated trade agreement between Canada and the U.S. naturally came in for consideration. Hon. Henry F. Grady, head of the Trade Agreement Section of the U.S. Department of State made the rather interesting and significant intimation that U.S. interests likely to be affected by the concessions to Canada were consulted as to the terms of the agreement in advance.

Among other advantages to the U.S. he anticipated a considerable revival in the export of industrial machinery to Canada, Dominion imports of such machinery having amounted to $36 millions in 1930, before the tariff was raised. On this item the Canadian tariff of 35 per cent has been reduced to a range of from free to 25 per cent.

Should Tell Its Story

In the business paper editors' discussions, a strong feeling was revealed that business has been doing better than generally believed, and that through the medium of the business press, it should more adequately interpret its affairs to the public.

The newspapers have been featuring investigations of business, news of labor troubles, and other news which had not aided in improving relations between business and the public. The president of the American Trade Association Executives expressed the view that business should be more articulate on its own behalf.

Broad Census Is Planned

An extensive census of business is planned in the U.S. to commence January 1, 1936. Dr. Virgil Reed, chief of the Retail and Wholesale Trade Census of Business reported that among other things, a census of advertising agencies is to be taken at the request of advertising men. It will analyze agencies' billings by various classes of media.

What is Ahead in Distribution?

Discussing certain elements that have contributed to the severity of the recent depression, A. D. Whiteside, president of Dun and Bradstreet, stated that when there was a reduction of 20 to 25 per cent in the volume of buying by the general public, it resulted in a slowing down of business, and the virtual elimination of what he termed volitional buying. This meant buying of merchandise over the normal replacement in needed supplies.

When the contraction in buying amounted to as high as 75 per cent which has been the case in the recent depression, it not only practically eliminated all volitional buying but cut deeply into the buying of necessities. The fact that this has been the case made for a more rapid recovery from depression conditions.

Uncertainty over maintenance of values encouraged many people to put their money into homes, furnishings, and similar goods. This is having an effect upon the buying of certain commodities.

More Individualism

In the field of distribution, Mr. Whiteside singled out development of the chain store, secondly, direct selling to the consumer, thirdly, installment business, fourth, development of the specialty shop, and fifth, the new relation the seller must adopt toward the producer.

The chain store, he said, had performed a definite function but is now running into resistance The men who managed chain stores, are showing more individualism. After learning chain store methods, they are going into business for themselves to an increasing extent and making headway.

Local chains of three, five, or ten stores are doing better than the larger chains because they have sufficient buying power to effect economies and at the same time, do not run into the tremendous overhead expense of the very large chain organizations.

Installment Selling

Mr. Whiteside was of the opinion that installment selling, and selling direct to the consumer by the manufacturer will increase unless something is done to bring the retailer into the proper relation to the producer.

In his opinion, there is little general conception of the real utility of the retailer as an agent and a direct distributor to the consumer for the manufacturer.

Specialization Favored

Stating that the average investment of retailers in their business was about $1,500, Mr. Whiteside pointed out that these men were direct agents for the manufacturers and that they must be the direct contact with the public on behalf of the manufacturers.

There has been a complete change in distribution, according to Mr. Whiteside, who told of a survey made of 35 trading areas between the years 1925 to 1935. This had shown the following facts. Some specialty stores had increased 300 per cent in volume of sales while some general merchandise stores had declined 60 per cent and department stores declined 40 per cent. The stores which showed declines had not gone in for specialization in meeting the requirements of the consumer.

Certain hardware people who were on the job had the largest, best, and most profitable business recently that they have had in a long time. They were the ones who broadened out their stocks to comprise new products available and which introduced the installment system on larger products.

Mr. Whiteside stated that installment selling stood up well during the depression. The review made in the bad year of 1931 had shown payments on installment contracts only 5 per cent below their peak.

Building to Improve

Dealing with the immediate future, Mr. Whiteside pointed out that building will undoubtedly improve. Bond interest rates are so low that money is finding investment elsewhere. This and other basic considerations show definitely that signals are all set to go for bigger business.

Transportation Problems

Joseph Eastman, federal co-ordinator of transportation for the United States, brought out some interesting facts concerning the competitive situation in the field of transportation

The poor condition of the railroads is due to the extension of pipe lines, to the increasing development in the use of airplanes, for both passenger and freight purposes, and to the development of truck and passenger automobiles. The travel habit has been considerably increased and more people in the aggregate are now engaged in transportation services than ever before. There are fewer engaged in the railways, however.

More flexible transportation has been a big factor in increasing hand-to-mouth buying by wholesalers and retailers.

Lightweight Equipment

Mr. Eastman expects to see in the future a big development in lightweight equipment for the railroad with a more flexible, convenient, and comfortable service offered. He anticipates some radical changes in freight rate schedules, simplifying the entire structure.

Competition in transportation services has gone beyond all sane bounds, because the facilities available greatly exceed the need. The result is that labor and public safety suffer and smaller concerns are placed at a disadvantage in competition with the larger shippers. The latter are in a position to take advantage of the competitive situation and exact special privileges. This condition on the railroads has made it impossible for them to buy necessary equipment and this contributes to the prolonging of depression in the capital goods industry.

Co-ordination

Mr. Eastman emphasized that the ideal system is, of course, to coordinate all transportation services. The ideal system used all of the services with each individual service doing no more than it should logically do. He anticipates some reduction in costs of operation on the railways through the development of the new lightweight equipment and new types of motive power.

Anticipating development of new light weight equipment, Mr. Eastman said a reduction in production costs of new light weight metals is a definite requirement before railroads could adopt any programme of new construction. He predicted further development in the use of interchangeable containers capable of being transferred from motor trucks to railroad cars without disturbing the contents.

Heavy Debt Burden

Mr. Eastman agreed that the railroads are under a heavy burden of debt and there may be some question as to where the money will come from to purchase the new equipment. He took the view that a good deal of it could be bought on receivership certificates in view of the fact that it is essential to the preservation of railroad services. The equipment would also be security up to a certain point for such loans.

"What Is Ahead in Building?"

Rolland J. Hamilton, president of American Radiator Company in an address on building prospects held out hope for the immediate future of building construction in the United States, stating the idea was fallacious that the country was overbuilt. It has been a case of underconsumption caused through unemployment, fewer marriages, and other factors. The chief requirement on the industry is to provide better homes at lower prices and at lower cost for maintenance.

In the last six years, there is said to have been an increase in population in the United States of 5 millions and there have been five and one half million marriages. New residences would scarcely suffice to take care of obsolescence, fire, and other such elements. Therefore the country is said to be approximately six years underbuilt residentially.

Some Weaknesses

Mr. Hamilton felt there are some inherent weaknesses in the building industry. For instance, he felt that it should grow more as the automobile industry has grown, constantly improving the quality of its product, lowering its prices as well as reducing costs for financing.

400,000 in Condemned Premises

Mr. Hamilton made the rather startling statement that over 400,000 people in New York City are today living in houses condemned as far back as 1901. Surveys show that a large proportion of the population is unable to afford more than $14 a month in rent and that it is impossible to give decent accommodation at that price with present building costs and rates of interest.

He was of the opinion that it has yet to be demonstrated that the prefabricated house had any worthwhile advantages over houses built in the conventional manner.

Lower Financing Needed

The editor of "The American Builder" in leading a subsequent discussion stressed the great need for lower financing rates, stating that a 1 per cent reduction in interest rates was equivalent over a period of 20 years, to a reduction of 18 per cent in the first cost.

He urged reduction in the cost of government and a more equitable distribution of taxation so that a penalty is not placed upon home ownership. He felt that steps should be taken to encourage sound investment of funds in real estate as a means of developing individual thrift and as a matter of social security.

Customer Goodwill Sought On "Free Sample" Principle

Would you like free tobacco, cigarettes, playing cards, canned goods, or perhaps a handsome wallet?

Most people would and on the principle that encouragement of childhood's penchant for "sample collecting" is stimulating to customer goodwill, some of the larger Canadian companies are cheerfully giving their products away.

A letter does it. But it must be a letter from some responsible person, preferably on company letterhead, and it may contain, strangely enough, either commendation of the product or the reverse.

Boys Will Be Boys

The scheme has been widely developed among some of the younger members of the financial community in Toronto, who derive not only a handsome profit over the cost of a three-cent stamp, but also get a considerable kick out of the result.

Not long ago, a young Toronto broker, visiting the northern area of Ontario, found he could not procure his favorite brand of whisky. He wrote the distillery, and received a letter of regret—and by the same post, an expensive, gold-embossed leather wallet.

Naturally, the idea spread.

A letter of commendation to a tobacco firm recently, not only resulted in two tins of cigarettes arriving post haste but was followed by a personal visit of a senior executive of the firm, who, after a friendly chat with the customer left cigars and decks of bridge cards as additional mementoes.

"We always contact our customers," he explained. "And whether you live in Toronto or a thousand miles away, we call. Expense, in such cases, means nothing."

Another adaptation of the idea, tried with less success, has taken the form of a letter to canning companies, complaining of sand in the green peas, thistle tops or some such thing.

For a time, that too worked, according to the enterprising young men who developed the scheme.

But it won't work now. Canning company officials—who deny there is ever sand in green peas—began to be suspicious after receipt of something like the 4,567th letter of "complaint."

Quest for Fine Cheese Leads Brokers to Baden

Ontario's cheese industry—one of the oldest in the province—is hiding its light under a bushel.

All through western Ontario and other dairying areas, the landscape is dotted with small cheese factories. Production finds its way chiefly to the large cheese and cheese processing companies. But new business is being developed by factories in the Kitchener-Baden area via the tourist and mail order route.

The reason lies in glowing tales of travellers who have passed through the smaller villages of the district and brought back to Toronto and other centres, samples of unusually fine quality cheese at low prices.

Little Known Varieties

They are not the common variety of Cheddar; although that too is produced in the Germanic community, but from well flavored Limburger to a mild product known as "Canadian Swiss," these products have been sampled by residents of the larger cities where, apparently, such cheese is hard to find. In flavor they are considered equal to fine imported varieties.

Passing through Baden recently, a Toronto stockbroker stopped at a small stone and brick building beside the highway. Various types of cheese were purchased, and the broker, anxious to learn where such cheese could be easily obtained, found that the factory had only one retail outlet in Toronto.

Private Shipments

The result was formation of a "syndicate" of brokers who promptly sent a collective order for cheese to be shipped to Toronto for their private use—at prices the stockbrokers quickly recognized as attractive. In the Kitchener district are other small factories gaining a slow but certain reputation as producers of fine quality cheese, of a type only found in urban delicatessen stores.

Advertising Lacking

It is conceivable that an industry of major scope may develop out of western Ontario. If so, it will not be until there is ample advertising of little known varieties of cheese which, to date, are available only to those fortunate enough to have discovered a new sensation to the palate.

CHARTERED ACCOUNTANTS

McDONALD CURRIE & CO.
CHARTERED ACCOUNTANTS
Montreal Quebec Toronto

RUTHERFORD WILLIAMSON & CO.
CHARTERED ACCOUNTANTS
RUTHERFORD WILLIAMSON, F.C.A., HAROLD A. SHIACH, F.C.A.,
TORONTO, MONTREAL
Licensed Trustees and Receivers
Rutherford Williamson, F.C.A. F. R. McCutcheon, C.A.

E. R. C. CLARKSON & SONS
Authorized Trustees and Receivers
CLARKSON, GORDON, DILWORTH & NASH
15 Wellington Street West, Toronto
Toronto — Montreal — Ottawa

RONALD, GRIGGS & CO. Winnipeg
Chartered Accountants Saskatoon

MILLAR, MACDONALD & CO.
CHARTERED ACCOUNTANTS
WINNIPEG MANITOBA

WILTON C. EDDIS & SONS
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CHARTERED ACCOUNTANTS
Federal Building, Toronto

REID, WALLBRIDGE, GIBSON & SUTTON
Barristers, Solicitors, etc.
R. L. Reid, K.C. D. S. Wallbridge
J. G. Gibson W. A. Sutton
YORKSHIRE BUILDING
VANCOUVER, B.C.

PEARSON, RUTLEDGE & DONALD
BARRISTERS, SOLICITORS, &c.
G. FRED PEARSON, K.C.
J. E. RUTLEDGE, K.C.
ROBERT T. DONALD, LL.B.
CABLE ADDRESS: "PEARSON," HALIFAX
Chronicle Building
Halifax, Nova Scotia.

Pitblado, Hoskin, Grundy, Bennest and Drummond-Hay
Pitblado, Hoskin, Turner, McEwen and Alsaker
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Victor A. Sinclair, K.C.
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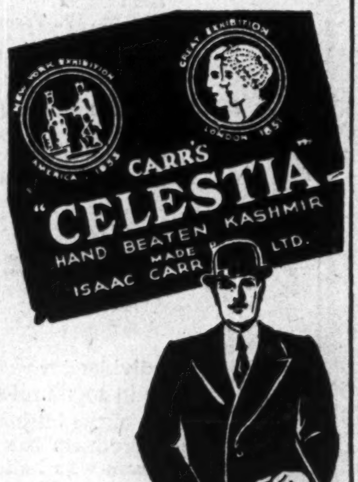

There is not enough wool in the world of the quality used in the weaving of Carr's Celestia to supply every man in Canada. There is, however, sufficient to make overcoats for those who demand quality at a reasonable price. It is because well-tailored overcoats of Carr's Celestia are distinctively smart—of such wonderful quality—that manufacturers and tailors sell their customers by sewing the Carr label as well as their own in the garment.

Look for this label if you want your overcoat to put you in the ranks of better-dressed men. Carr's also make the Original Elysian and The "Melton"—all West of England products.

ISAAC CARR & CO., LIMITED
Twerton Mills, Bath,
West of England

THE BACHELOR'S CORNER
TOBACCONIST
BACHELOR

Memory Test . . .

When I was a Boy Scout I used to be pretty good at memory tests. I remember — or I think I do — that we used to stand and look into a store window for so many minutes and then, a few minutes later, try to write down everything we'd seen there. I used to be pretty hot stuff at that. Now, however, I find I've slipped badly. I have a hard enough time remembering which of my friends takes soda and which ginger ale.

All of which leads me to what I intended to say. And that is: If anyone is planning giving me anything for Christmas, do you remember what I suggested last week in this very place? Just in case you don't, I'll give you a clue; it's a box of something attractively wrapped for Christmas that "It's good to get back to."

Bachelor.

"IT'S GOOD TO GET BACK TO A 10c. CIGAR!"

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